



A
SIR. J. J. COLLEGE
PUBLICATION

manual

of bank
correspondence

ASPI DOCTOR

MANUAL OF BANK CORRESPONDENCE

BY

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(Recommended by the I. I. B. Examination Board)



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TO
MY WIFE RHODA



A NOTE FROM THE PUBLISHERS

That the Sir J. J. College of Commerce should have started a Publications Division is in keeping with its pioneer tradition. The Institution began imparting education in commercial subjects in 1913, when most of the colleges in the city were not in existence. With liberal help from the Parsi Panchayat Trust the College is today a premier Institution for business education in Bombay.

Good text books are in short supply in our Country and one of the reasons for our lagging behind in the field of education. By publishing quality works the J. J. College will be serving a very good cause. The authors approved by the Board are eminent educationists in their chosen field. "Manual of Bank Correspondence" is only a beginning and the first step in a new and challenging field.

(Maneck Pheroze Mistry)
Chairman.

Bombay, November 1969

PREFACE

It is surprising that though banking is an old and established institution in India there is hardly any comprehensive or analytical work on Bank Correspondence. I realised this when I was preparing some lectures for the staff of the Branch Inspection Department of the Central Bank of India. Finding the few stray chapters on banking in books on general Commercial Correspondence of little help, I decided to undertake a study of bank letters in the original. This book is the direct outcome of that study.

Apart from bank correspondence of a general nature an attempt has been made, in Part II of the book, to give the reader an idea of the nature and content of departmental correspondence. Practical tips on the drafting of memoranda, circulars, reports, certificates and telegrams have also been added.

While the purpose of this book is to guide bank officials and clerks in drafting better and more purposeful letters, it is also likely to interest the academic layman. Students preparing for banking and other commercial examinations, as also commerce students at the graduate level, will find this book of great help. Part III of the book has been specially written, keeping in mind the need of the examination student.

A work of this nature could not have been finished without some help from others. I am grateful to Prof. P. C. Hansotia, of the Sir J. J. College of Commerce, for inspiring

PREFACE

the idea of this book and for his constant guidance and encouragement. Without the help of Mr. Pat(rick) D'Souza of the Central Bank, Ballard Estate Branch, this book would not have been completed — as it has been — in the course of my summer vacation. Dr. Kishen Gehi was kind enough to prepare the Index for the book. My wife deserves special thanks for being very patient while I sat tapping on my machine for hours at a stretch.

Aspi Doctor

Bombay,
15th November, 1969.

FOREWARD

There seems to be a growing feeling amongst bank employees that elegance in bank correspondence is an obsession of the diehard of the past and puritanism in language is an overrated virtue. I have heard people contend that the purpose of correspondence after all is communication of certain thoughts and ideas, and it matters little how the thoughts and ideas are clothed so long as these are intelligible to the addressee. This is a misconception which has been mainly responsible for a general fall in the standards of correspondence; or, perhaps, it is the other way about—disregard for elegance in correspondence reflecting a kind of defeatism related to a fall in the standard of instruction. Rarely does one come across a letter written in a manner in which it ought to be written—to the point, neat and clear, with flawless syntax and grammar.

I am happy that Prof. A. H. Doctor has thought it desirable to bring out a comprehensive and analytical work on bank correspondence. A book like this was long overdue and should be welcomed by all those who wish to take to banking as a career and go up the ladder rung by rung.

1st December, 1969.
Bombay.

R. K. Talwar
Chairman
State Bank of India

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PART I

*The tongue is prone to lose the way,
Not so the pen, for in a letter
We have not better things to say,
But surely say them better.*

—Emerson.

CHAPTER I

LANGUAGE IN A BANK LETTER

Bank Correspondence is a part of Commercial Correspondence. It is for this reason that most writers have been content to devote a chapter or two to banking letters in books on Commercial Correspondence. In the last fifty years, especially in India, the institution of Banking has, however, become so widespread and complex that the subject of Bank Correspondence deserves more detailed treatment. Several banks, in both sectors, with their head offices in urban areas have been "mushrooming" their branches all over the country and deep in rural areas. This has made it necessary to open new departments dealing exclusively with branch management and relations. The rapid growth of internal and international trade has again added a new dimension to the concept of a bank's functions. Banks are undertaking to perform more and more services of an increasingly varied nature in order to attract depositors and keep ahead in the economic race. All this has given rise to a new species of Commercial Correspondence — highly specialised and different in content and tone from general Commercial Correspondence. It is no longer enough for the student to learn the type of letter with which a customer opens an account or asks for an overdraft or the bank's replies to these letters. If he has to get a fundamental idea of Bank Correspondence he must be initiated into the mysteries of inter-branch, inter-departmental and inter-bank correspondence as well.

The purpose of this book is to perform this initiation ceremony. This initiation into the nature of Bank Correspondence is meant not only for the student of commerce

but also for the bank employee, who, immersed in routine departmental work, may be ignorant of the working of the giant machinery of which he is an inconspicuous but indispensable part.

Commercial English

In the world of business (and banks are a part of this world) all activity is concerned with the exchange of money and goods. Sometimes the people who buy and sell may be thousands of miles away from each other and can only correspond through letters. How the letter is worded and written therefore becomes very important. The wrong use of a word or the use of a sentence whose meaning is not clear may mean a loss of thousands of rupees. The man writing a business letter must, therefore, choose his words carefully and frame his sentences properly. It is to avoid confusion and misunderstanding and to make the functioning of trade and commerce easy that Commercial English is taught and studied.

When the words "Commercial English" are used many people imagine that a special kind of English is being referred to. It is commonly thought that the English used in the commercial world is in some way different from the English used in everyday life or, say, in literature. This view is not quite correct. Commercial English is prose composition and as such the usual rules of grammar and composition will apply to it. Being the chairman or director of a large bank does not give a person the right to frame a sentence like, "The party have done the needful". Grammar must triumph and, chairman or not, he must learn to write, "The party has done the needful"; for "party" is a singular noun and must take a singular verb to match. The student of Commercial English must learn to use language correctly and accurately. He does not have to bother about linguistic problems or academic grammar but he must become familiar with correct English usage.

We may describe Commercial English as accurate and precise prose composition for the purpose of carrying on business. While speaking to a friend you may say, "I have a lot of money". An expression like this, however, would find no place in a business letter. In a business letter you would write, "I have sufficient funds" or "My financial resources are sufficient to cover the transaction". While walking down a street you might inform your friend, "This is my house". In the business world this statement would be considered vague for it does not inform the listener whether you own the house, stay in it as a tenant or live there merely as a guest. In a business letter the position would have been made very clear. We may therefore sum up the difference between Commercial English and the everyday use of English by saying that in everyday life we use words and phrases casually, carelessly and often inaccurately, while in Commercial English we use language precisely and accurately.

There is also a difference in the prose used in literature (in novels, dramas, literary essays and biographies) and the use of prose in the business world. In literature, style plays a very important part and the reader derives pleasure from the style and presentation independent of the meaning. When Shakespeare informs us that "Tomorrow, and tomorrow, and tomorrow, creeps in this petty pace from day to day, to the last syllable of recorded time", it is the ordering of words that delights us rather than the commonplace idea they contain. In Commercial English style is important only so far as it makes the meaning more distinct or adds to the sense of an argument. Style, in Commercial English, has only a functional value. For the businessman "what he says is more important than the way he says it".

Thomas Hardy, the famous novelist, began one of his novels with the words:—"A Saturday afternoon in November was approaching the time of twilight, and the vast tract of unenclosed wild known as Egdon Heath embrowned itself moment by moment. Overhead the hollow stretch of whitish cloud shutting out the sky was as a tent which

had the whole heath for its floor". Beautiful as this description is, it would be pointless and ridiculous if used in a business report or letter. The style of a business letter or report has to be matter-of-fact and would read something like this:—"On Saturday, 19th November, 1963, at 5 p.m., the members of the committee visited the site of the plant at Egdon Heath....."

The student of commerce and banking must learn Commercial English so that he may learn to use the language accurately and exactly in the world of business. He must learn to write and speak in a straightforward manner, simply and directly.

Commercial Jargon

While there is a difference of opinion on the existence and use of "Commercial English", Commercial Jargon has earned the disapproval of all — professors of English and businessmen alike. Jargon is language "full of technical and special words" pertaining to a profession. There is nothing wrong with using technical words and terms — indeed it is often difficult to find adequate substitutes for them. The objection lies in the fact that these terms have been so overworked and have become so common in use that they have begun to lose their meaning. Above all, they are objected to on the ground that they give the letter a tone of insincerity. When the first English businessman wrote to his counterpart, "I beg to state that I have received your esteemed favour", the recipient of the letter must have been pleased and greatly flattered. But when thousands of letters daily "begged" to state that they had received "esteemed favours" the words began to ring hollow and became meaningless.

Commercial Jargon was in the hey day of its glory in England during the reign of Queen Victoria. At the turn of the century American influence began to be felt in the commercial world and this had a very wholesome effect on

the language and style of Commercial English. The crisp, vivid, fresh language that the Americans used in their business letters had a greater sales appeal, and Englishmen began to hastily remove the stale, meaningless phraseology of Commercial Jargon. Commercial Jargon, however, continues to reign supreme in many of the former British colonies — especially in India.

To make correspondence forceful, attractive and sincere in tone technical terms should be used only where absolutely necessary. Short one-syllabic or two-syllabic words (of Anglo-Saxon origin) should be preferred to lengthy words of Latin or French derivation. Given below is a list of words which have become “jargon”, meaningless, and which should, therefore, be avoided.

Approve us of

(It is better to say “inform us”.)

Advise you (us)

(This is incorrect if used in the sense of “inform you (us)”)

Receipt of this letter

(It is better to say “When you receive”, etc.)

Kind compliance or Kind perusal

(“Kind” should be dropped as it has lost meaning in the context.)

Correspondence resting with ...

(“Resting” is an odd term, it is better to say, “previous correspondence”.)

Vide

(Vigorous English can be written by avoiding such Latinisms.)

Has the needful since been done

(This is a clumsy construction. It is better to say, "Have you done the needful")

Have to state as follows

(This is a meaningless phrase since the rest of the letter follows.)

Your esteemed favour

(It is better to say, "your letter".)

Our best apologies

(This phrase has been over-used and appears insincere.)

And oblige

(These words at the end of a sentence produce a jarring effect. It is better to say, "we shall be obliged.....".)

Even date

(A typical example of Jargon. It is better to give the exact date.)

As per instructions

(It is better to say, "as stated in your letter", etc.)

Your Mr. Desai or Our Mr. Prabhu

(These are clumsy expressions. It is better to say, "Mr. Desai, your Accountant," or "Mr. Prabhu, our Secretary,")

Your goodselves

(This is a meaningless and ungrammatical phrase. It is better to say, "you".)

Instant (current month); Proximo (next month); Ultimo (last month)

(It is better to avoid these Latin terms and give the exact date as, "5th July, 1969," etc.)

At an early date

(This is vague and meaningless. It is better to say, "we hope to receive your reply within a week".)

Enclosed please find

(The words "please find" are redundant and should be dropped.)

Have noted the contents

(This is a senseless phrase. If you have read the letter you must have noted the contents.)

Beg to state

(Begging in correspondence is no longer considered dignified.)

Yours to hand

(It is better to say, "I have received your letter dated ...")

Thanking you in anticipation

(It is bad manners to thank a person in advance. All you have to do is write a letter (even a post-card) of thanks after the work has been completed or the reply sent.)

The Legal Obsession

Perhaps India is the only country in the world which has so many non-practising lawyers. It has become a matter of course for graduates to collect LL.B. degrees before or after joining a commercial house. This is not in itself bad, for as the dictum goes *ignorantia legis excusat neminem* (Ignorance of the law excuses no one). And the young man's knowledge of law can be of use to the institution in which he serves. The great drawback, however, is that the young executive tends to draft a letter to a client or customer as

though he were drawing up the last will and testament of the latter. Consider this letter written by a young executive with a law degree:—

“You are hereby informed that if the amount of Rs. 3,500 now owing to us is not paid up within a period of two weeks, dating from the date of this letter, the matter will have to be referred to our legal advisers. The said amount has been long overdue and my directors are constrained to take a serious view of the matter.....”

It is very likely that the legal terms and tone of the letter will frighten the customer into paying the amount within two weeks, but it is also very likely that he will start looking round for another bank. If the young man had stored his legal knowledge away and written a letter in a more relaxed tone he might have got the money and retained a customer. The above-given letter could have been rewritten thus:—

“Upon going through our records I was surprised to find a sum of Rs. 3,500 outstanding against your name. The sum has been outstanding for a very long time and in accordance with office routine and practice the matter would have been referred to our legal department for further action. But as I am sure the matter has been overlooked by you, I am sending you this reminder with a request to pay the amount within two weeks. In case you want the loan period to be extended you may approach us on any working day and we shall be happy to discuss the matter with you.”

Here are a few legal terms, very popular with banking officials in India, which should be used very sparingly, if at all:

| | |
|---|-----------------|
| <i>the same</i> | <i>hereby</i> |
| <i>aforesaid</i> | <i>herewith</i> |
| <i>cited</i> | <i>whereby</i> |
| <i>vide</i> | <i>thereto</i> |
| <i>per</i> | <i>perusal</i> |
| <i>Further (to begin a sentence) the said</i> | |

Clarity and Conciseness

A well written business letter is marked by clarity of thought and expression and by concise, accurate composition. A business letter which is lengthy and contains long, involved sentences is a poor one. It not only creates a bad impression about the writer but also about the institution that sends the letter. A good business letter should be so drafted that the person receiving it can grasp the contents quickly at a single reading. No sentence should have to be read twice to gather the meaning.

Clarity, of course, comes of a clear mind. But assuming that the writer of the letter has this, and knows exactly what he is writing, there are certain ways in which language can be used so that clarity and conciseness are achieved.

As far as possible short sentences must be constructed. And within the sentence short words must be used in preference to long ones. While in Commercial Correspondence it is considered to be bad manners to use one-sentence paragraphs, it is equally in bad taste to have very long paragraphs. A well drafted business letter will have one, two or three ideas contained in one, two or three brief, "quick-to-read" paragraphs. Given below are two typical sentences, taken from business letters, which could have been condensed without loss of meaning.

1. *"There are several proposals, made by the party concerned, which we hope will receive your careful study and consideration before you finally arrive at a decision".* (26 words)

"We hope you will examine the proposals made by the party before arriving at a decision". (16 words)

2. *"In response to your request it gives us pleasure to send the information, which please find enclosed, and which we hope will be of assistance to your customers".* (28 words)

"We hope your customers will find the enclosed information of use". (11 words)

Yet another way to achieve clarity and conciseness is to use positive and active constructions in preference to negative and passive constructions. Wherever possible make sentences in the active voice. This will also give the letter a forceful and vigorous tone. Do not say:—

“All securities that are offered by clients must be scrutinised carefully by you.”

Say:—

“You must carefully scrutinise all securities offered by clients.”

Do not say:—

“Do not make it impossible for the branch to function effectively”.

Say:—

“Make it possible for the branch to function effectively”.

Avoid difficult and long words like *approximate, aggregated, terminate, endeavour, cognisant* or *subsequent* when simpler words like *about, totalled, end, try, aware* or *next* can be used. It must, however, be noted that this is not a rule and often the longer word has to be used as only it can convey the full sense of the writer.

A great deal of time, space and energy is wasted because of the use of redundant words and phrases. A redundant word or phrase is a word or phrase that is not needed as its meaning is conveyed by another word or phrase in the same sentence. Apart from wasting time and space such words irritate the educated reader and repel him. Here are some typical and common redundant phrases:—

We shall thank you for a precise explanation ...

(An explanation must be precise. Omit “precise”.)

Early reply by return mail

(“return mail” implies an “early reply”.)

Also reciprocate the same

(“reciprocate” and “same” imply the same thing.)

Now, without any further delay.....

(“Now” and “without further delay” mean the same thing.)

Little by little and gradually

Refer back

Free gift

Again repeat

Cooperate together

Exactly the same

CHAPTER II

THE LAY-OUT OF A BUSINESS LETTER

The term lay-out, meaning "plan" or "arrangement", has become very popular in the twentieth century. Newspapermen speak of the lay-out of their pages. The copy-writer in the advertisement department plans the lay-out of his copy. While the construction expert and surveyor has his own concept of lay-out.

Whether a journalist uses the term or a copy-writer uses the term, the key word in conceiving lay-out is *balance*. The sub-editor in a newspaper office when he plans the lay-out of the newspaper page tries to balance the head-lines and pictures in one half of the page with the head-lines and pictures in the other half of the page. The advertising-man also tries to pattern and arrange figures and objects on the page in such a manner that they attract attention. He sometimes places objects in a balanced pattern to give a pleasing impression. Sometimes he deliberately uses an unbalanced lay-out to attract attention.

In commercial correspondence too the concept of lay-out is important. And since banking correspondence is part of commercial correspondence the subject must be studied in some detail.

The Indented Form

This is the conventional form of lay-out with which the reader is familiar. It is a balanced lay-out and pleasing to the eye. Here is a letter in the Indented Form. If you follow the course of the *stars* the balanced pattern of the lay-out will be seen clearly.

*58, Rowett Street,
Seweri, Roureka.
*27th April, 1969.

* The Manager,
Reliable Bank Ltd.,
Forwett Street,
Seweri, Roureka.

* Dear Sir,

*Re: Pass-book for S.A. No. 1282.

*I have not received the above-mentioned pass-book for more than three weeks. I have called at the bank twice in this connection and once I sent my office peon. On each occasion the clerk complained that he had been unable to bring the book up-to-date on account of pressure of work.

*You will appreciate that this is a matter of great inconvenience to me. If the pressure of work at your branch is so great that you cannot look after the conveniences of your customers I shall close my account with you and bank with another institution.

*Yours faithfully,
*P. B. Daru.

* PD/st.

The Block Form

In contrast to the Indented Form we have the Block Form of lay-out. It is a type of unbalanced lay-out. In this form the address of the person, the salutation, the reference line, the first line of each paragraph and even the complimentary close are flushed to the left-hand margin. This form has the advantage of being easy to type and it also serves the purpose of attracting attention. Study the course of the stars in the following reply.

*RELIABLE BANK LTD.
*Forwett Street,
Seweri, Roureka.

* 30th April, 1969.

* Mr. P. B. Daru,
38, Rowett Street,
Seweri, Roureka.

* Dear Mr. Daru,

* Re: Your pass-book for S. A. No. 1282.

* I am sorry that you were so greatly inconvenienced in the matter of your pass-book. Immediately upon receipt of your letter I demanded an explanation from the clerk concerned and have given him a warning and strict orders to bring all pass-books up-to-date and return them to customers if not on the same day, latest, on the next day.

* It is not true that the pressure of work at my branch is very great. We have got sufficient staff members to give our customers the courteous and prompt service they deserve. With this letter I am enclosing your pass-book brought fully up-to-date.

* Yours faithfully,
T. N. Deshmukh
*Manager.

* TND/kl.

The Hanging Indent Form

The Hanging Indent Form is mid-way between the Indented and the Block Form. In this form of lay-out the first line of every paragraph is flushed to the left-hand margin but the remaining lines are spaced away from the margin (indented). This form has the doubtful advantage of attracting attention and may be of some use in sales letters. Here is the last letter rewritten in the Hanging Indent form.

*RELIABLE BANK LTD.

*Forwett Street,
Seweri, Roureka.

*30th April, 1969.

* Mr. P. B. Daru,
38, Rowett Street,
Seweri, Roureka.

* Dear Mr. Daru,

*Re: Your pass-book for S.A. No. 1282.

* I am sorry that you were so greatly inconvenienced in the matter of your pass-book. Immediately upon receipt of your letter I demanded an explanation from the clerk concerned and have given him a warning and strict orders to bring all pass-books up-to-date and to return them to customers if not on the same day, latest, on the next day.

* It is not true that the pressure of work at my branch is very great. In this branch we have sufficient staff members to give our customers the courteous and prompt service they deserve. With this letter I am enclosing your pass-book brought up-to-date.

Yours faithfully,
T. N. Deshmukh
Manager.

The Best Form For A Bank Letter

The Indented Form is the best form for a bank letter. In the U.S.A. banks may experiment with different forms of lay-out as they have to cater to a sophisticated and novelty-seeking clientee. In India, with literacy and education still at a low level, the tastes of people tend to be conservative. As the bank has to present an image of stability and reliability, it is best to follow the conventional Indented Form of lay-out. While writing sales letters the bank can use other forms to attract attention, but for day-to-day correspondence with customers, the balanced Indented Form is most advisable.

CHAPTER III

THE FORM OF A BANK LETTER

Custom, usage and convenience have devised a particular form for the business letter. As the same form is used throughout the business world, letters become quick and convenient modes of communication. Let us undertake an analysis of the formal aspect of a business letter. First, we have—

The Head Address, i.e. the address of the person who is writing the letter. Banks and other commercial houses usually have this address printed at the centre (top) of the letter page.

The Famous Bank Ltd.
Famous Street,
Bombay 2.

This address is also placed at the top, right-hand corner of the page. The address has a pleasing appearance if it is indented, as above. The block form is also commonly used—

The Famous Bank Ltd.,
Famous Street,
Bombay 2.

The Inside Address, i.e. the address of the person or company to whom the letter is sent. This too may be indented or block, depending upon the general lay-out of the letter. The letter may be addressed to an official in a company or firm, or to the company or firm itself.

The Manager,
Steel Industries Ltd.,
Iron Lane, Bombay.
OR Steel Industries Ltd.,
Iron Lane, Bombay.

In the case of firms (partnership concerns) *Messrs. (M/S)* may be written before the name only if it contains a personal name

Messrs. Daru & Daru.

It is, however, wrong to put *Messrs.* before an impersonal name

Messrs. Iron and Steel Works.

In such cases it is best to put *The* before the name

The Iron and Steel Works.

Individuals may be addressed as

Mr. P. L. Menon

Mrs. S. T. Keshmeri

Miss U. N. Kumari

The form *P. L. Menon, Esq.*, has become quite unpopular. If, however, it is used *Mr.* must be omitted. You cannot write *Mr. P. L. Menon, Esq.* Again, if *Esq.* is used the first name or initials of the person must be given. While it is correct to write *Mr. Menon*, it is incorrect to write *Menon, Esq.* While addressing medical practitioners you may write

Dr. P. M. Murthy

or *P. M. Murthy, M.D.*

but it is incorrect to write

Dr. P. M. Murthy, M.D.

Professors, for some strange reason, do not conform to this and it is quite correct to write

Prof. R. T. Sharma, M.A.

Here is the correct form for the following persons or parties

A judge

— The Hon'ble Mr. Justice Mody

A member of
parliament

— Mr. Gokhale, M.P.

| | |
|---------------------------------------|--|
| Member of the armed forces | Maj. Gen. C. L. Chopra, Lieutenant Bunsha, Captain D'Cruz, Corporal Stevens. |
| Governor of a State | — His Excellency Mr. Cherian, Governor of Maharashtra |
| Member of the Legislative Assembly | — Mr. Doolup, M.L.A. |
| A firm of Ladies with a personal name | — Mesdames Rhoda & Ree |
| A company with a personal name | — Messrs. Pritumdas & Co., Ltd. |
| Foreign diplomat | — His Excellency the Consul General for Xynadu. |

The Salutation

The commonest and most popular salutation is *Dear Sir*, or *Dear Madam*, for individuals. *Dear Mr. Mehta* or *Dear Mrs. Desai* is often used to soften the official tone. *Sir* or *Madam* by itself gives the letter a very formal touch. *Respected Sir* is rarely used in commercial correspondence except when a person occupying a very high or exalted position is addressed. *Gentlemen* as a form of address is in vogue in the U.S.

A Joint Stock Company, for no logical reason, is addressed as *Dear Sirs*, so are, with better logic, all firms and partnership concerns. While writing to a Governor, or the President, the correct form is *May it please your Excellency*. Judges, M.L.As., Members of Parliament may be addressed simply as *Sir*.

The Date

In the U.S.A. and in Canada businessmen write the name of the month first, e. g., *July 6, 1969* or *February 3, 1969*.

In the U.K. the day is mentioned before the month, e.g., *6th July*, 1969 or *3rd February*, 1969. In India, today, both forms seem to enjoy equal popularity though the older business establishments prefer to follow the British pattern. In any case a business letter should never be dated 3-2-'69 or 6-3-'69. Not only does it show that you are careless and have little regard for the person to whom you are writing but it can also create a serious misunderstanding. Suppose you write 2-3-'69 (meaning 2nd March, 1969) and your letter goes to the U.S.A. the recipient is very likely to think that you mean February 3, 1969. A person in the business world cannot afford the luxury of such mistakes.

The Caption Line

Below the salutation comes the caption line. The caption line gives in a single line the gist or subject matter of the letter. It is written thus:—

Dear Sir,

Re: Your letter No. 231, dated 4th April, 1969.

or Dear Sir,

Subj: Your C.A. account No. 31 with us.

Sometimes the words *Re:* (i.e. relating to) and *Subj:* (i.e. subject) are omitted, and the caption line is written simply with a dark underline. In such cases it is placed above *Dear Sir*.

The Body of the Letter

In composing the body of the letter the following points should be kept in mind:—

Paragraphs should be brief and should contain one idea,—with elaborations,—only.

One line paragraphs, good as they are for journalistic composition, should be avoided. They may, however, be used effectively in drafting sales letters.

While getting the letter typed see that the letter, if it is a long one, is continued on a new sheet of paper and not on the reverse. It is bad manners to have even the last few lines on the reverse.

The Complimentary Close

The usual complimentary close for a business letter is *Yours faithfully*, (it is not wrong to reverse the order of the words, (i.e., *Faithfully Yours*,). If you wish to show a little more warmth or find that your relations with the party are quite friendly then you may use *Very truly yours* or *Yours cordially*. *Yours sincerely* should be used only when you are very friendly with the party addressed, though Americans use the word indiscriminately hoping thereby to establish friendly relations where none exist.

If the body of the letter fits into the page but the complimentary close does not, it is bad manners to type the complimentary close alone on a separate sheet of paper or on the reverse. The best thing to do is to tear up the sheet and retype the letter, changing the spacing of the machine.

Enclosures

If some papers or documents are to be sent along with the letter the number of such letters or documents must be specified below the Complimentary close and signature.

- Encl: 1. Report on the working of the branch.
 2. Copy of Legal notice served by us on Mr. X.
 3. Copy of our letter to Mr. Chopra.

The Enclosure item is placed flush against the left-hand margin, below the signature.

Copy To

Sometimes a copy of the letter is sent to more than one person. Mention of this can be made below the Enclosure item with the abbreviation c.c.

C.C. to:— The President,
Wool Merchants Association,
53, Sheepwool Street,
Kanpur.

Initials of the Dictator and Typist

To pinpoint responsibility for a letter drafted or sent it is a common practice to type the initials of the person who has dictated the letter along with the initials of the typist at the left-hand bottom of the page. The initials of the dictator are typed in capital letters and those of typist in small type.

PR/st or T.P/m.v.

Post Script (P. S.)

A Post Script in a business letter shows carelessness and poor drafting on the part of the writer. It can only be used when last-minute information has to be inserted and there is no time to draft a fresh letter.

* * *

As an illustration and summary of what has been written in this chapter you may study the following letter and its reply. Pay special attention to the structure and form of the letters. The first letter is a letter of Inquiry addressed to a bank ; the second letter is the bank's reply.

SIR J. J. COLLEGE OF COMMERCE
14-1A, Nanabhoy Lane,
Fort, Bombay 1.

4th May, 1969.

The Agent,
Money Bank Ltd.,
17, Cash Lane,
Bombay 1.

Dear Sir,

As your bank is within a short distance of our institution we would like to open a Current Account with you. The account will be operated either by the undersigned or the Vice-Principal of the institution. Please send me the relevant forms at your earliest convenience.

Yours faithfully,
Sir J. J. College of Commerce,
Principal.

K.T.

Reply to the above

THE MONEY BANK LTD.
17, Cash Lane,
Bombay 1.

6th May, 1969.

Ref: IQ/3217

The Principal,
Sir J. J. College of Commerce,
14-1A, Nanabhoy Lane,
Fort, Bombay 1.

Dear Sir,

Re: Opening of Current Account with us.

We thank you for your letter of 4th May. We are glad to hear that you wish to open a Current Account with us.

With this letter we are enclosing two forms which you may return to us duly filled in. We shall be happy to answer any other inquiries or attend to you personally should you find it convenient to visit the bank on any working day.

We thank you for the interest you have shown in our bank and wish to assure you of prompt and efficient service at all times.

Yours faithfully,
J. M. Sachoo
Agent.

Encl: Two forms.
JMS/yr

Note : It will be noted by the careful reader that the bank's reply has been signed by the Agent (i.e. by an individual) and yet in the body of the letter the first personal plural ("we ") has been used. This is, strictly speaking, illogical. But there is a convention in the banking world which allows bank officers to sign as individuals and use the first person plural in the body of the letter. Textbook writers in England and the U. S. A. have been protesting against this practice for many years. But the protest has been in vain, and bank officials, like imperial personages, have continued to write "We" instead of "I".

CHAPTER IV

TYPICAL ERRORS IN BANK LETTERS

The bank official, immersed in routine departmental work and a world of technicalities, often loses sight of the elementary rules of grammar and begins composing odd, twisted, and, for the layman, ambiguous sentences. His juniors, who possibly admire and envy the position he occupies, begin to imitate this unnatural style and soon the whole department follows the wrong lead, and a wrong tradition is established. When a new recruit joins the department and turns the pages of the departmental files he feels lost and humbled. He feels that all he has learnt in school and college is useless and at once sets about trying to master this formidable and tortuous style. Little does he realise that the style originated by mistake and is the product of a mass of accumulated muddled thinking.

The purpose of this chapter is to examine some passages and sentences actually taken from bank letters and comment on their grammatical composition and style. While commenting on the sentences, grammatical rules will, as far as possible, be kept out and correct alternatives will be provided to guide the reader.

1. *Assuring you of our best attention at all times,*

Yours faithfully,

OR

Thanking you,

Yours faithfully,

Comment : This is a very common error indeed. *Assuring* and *Thanking* are both participles (ending in “-ing”) and as such require a supporting personal pronoun. The correct form would be:—

“Assuring you of our best attention at all times,

*We remain,
Yours faithfully,”*

OR

“Thanking you,

*I remain,
Yours faithfully,”*

If you are writing to a person for the first time you must write “*I am*”, but if this happens to be your second or third letter and you already know the person to whom you are writing then you must write “*I remain*”.

2. *In any case, let us hear.*

Comment: The phrase “let us hear” is colloquial and cannot find place in a business letter. The sentence should read:—

“In any case, please inform us.”

3. *As and when the Bank Guarantee Certificate is received please send to us a copy of the same.*

Comment: In this sentence the words have been wrongly ordered. “The same” is an example of commercial jargon and could have been avoided. The sentence should read:—

“As and when the Bank Guarantee Certificate is received please send a copy of it to us.”

4. *We may just advise you that we have no office at Phulpur.*

Comment: “Just” is a colloquialism, while “advise” is an example of the use of jargon. The sentence should read:—

"We have to inform you that we have no branch at Phulpur."

5. *With reference to your letter P.T. c.s. 776 of 28-2-1969, we have credited your Tied Operating account with Rs. 5,000/- being further deposit to cover premium due to you on policies issued to us and our branches in the eastern region under the Ordinary Agency, but premium on which is paid at the end of every month.*

Comment: A sentence like the one given above will have to be read twice and therefore it would not find place in a well drafted business letter. It contains a few grammatical mistakes and the date should have been properly written. Study the redraft:—

"This has reference to your letter P.T. c.s. 776 of the 28th February, 1969. We have credited your Tied Operating Account with Rs. 5,000. This amount is a further deposit to cover the premium due to you on policies issued to us and our eastern region branches under The Ordinary Agency agreement. Premium on these policies is paid at the end of every month.

6. *We are in receipt of your letter of 15th inst. and have instructed Firozpur Branch to inquire from our Kanpur Branch in the matter.*

Comment: The redrafted sentence will reveal the errors in the sentence.

"We have received your letter of the 15th April and we have instructed our Firozpur Branch to inquire of our Kanpur Branch about the matter."

7. *Please see that the party deals exclusively with us as far as possible to ensure that no conflict of interest takes place at a latter date.*

Comment: In this sentence the words "as far as possible" have been wrongly placed and proper use of punctuation has not been made resulting in a confused sentence. "Latter" means recent or the second of two

things. Here the writer means "later". The corrected sentence would read:—

"Please see to it that, as far as possible, the party deals exclusively with us to ensure that no conflict of interest takes place at a later date."

8. *If not, in what other manner the bank can obtain effective charge on the plant and machinery against which the term loan has been proposed.*

Comment: This is an interrogative sentence and should, therefore, end with a question mark. Apart from this the ordering of words in an interrogative sentence would be as follows:—

"If not, in what manner can the bank obtain an effective charge on the plant and machinery against which the term loan has been proposed?"

9. *In the above connection, I have to state that.....*

Comment: "Above" is a preposition showing place. It is wrong to use it singly in a business letter. You must write "above cited", "above mentioned" or "above quoted".

10. *Please let us know whether the above party, have since paid on 23-3-1969, Rs. 42,000/- being the fourth instalment towards their mortgage loan account.*

Comment: "Above party" is wrong, it should be "above-mentioned party". Party is singular and, therefore, "have" should become "has". It is incorrect to put a comma after "party"—the subject cannot be separated from its verb. The date is wrongly written. The corrected sentence would read:—

"Please let us know whether the party has paid the sum of Rs. 42,000/- on the 23rd March, 1969; this being the fourth instalment towards their mortgage loan account."

11. *Our Head Office have been pleased to approve of granting of the above type of facilities to our clients.*

Comment: The redrafted sentence will show the mistakes.

"Our Head Office has been pleased to approve of the granting of the above mentioned types of facilities to our clients."

12. *We told that we would put a longer period and a bigger amount.*

Comment: "We told" is incorrect. Again, it is not possible to "put a longer period". The sentence is clumsy. It should read:—

"We had informed you to allow a longer period and put a bigger amount."

13. *Anyway you may remit the proceeds whichever manner you feel fit so that we will receive the money quickly.*

Comment: Apart from being grammatically wrong the sentence is totally lacking in dignity. It should be redrafted:—

"You may remit the money in any manner you think fit. We shall appreciate receiving the sum as early as possible."

14. *By this letter we have the pleasure to introduce to you Mr. Prabhu, President of XY Industries, Ltd., valued clients of this bank..... Mr. Prabhu is proceeding to your Country to dispose of good underlying the captioned collections.*

Comment: It is incorrect to say that you have pleasure by a letter. Mr. Prabhu and President are both singular nouns and, therefore, it should be "valued client". Country is a common noun and should not be written with a capital "C". "Dispose of" is incorrect. It should be "dispose off". Rewrite:—

"It gives us pleasure to introduce Mr. Prabhu, President of XY Industries, and a valued client of the bank, to

you. Mr. Prabhu is proceeding to your country to dispose off the goods underlying the captioned collections ”.

15. *In this connection we had written to your Sholpur Branch. Thanking you for a prompt reply, I remain.....*

Comment: It is bad manners to thank a person in advance. The right thing would be to write a separate letter of thanks after the work has been done.

16. *The pass book will be sent to you by separate post.*

Comment: “Separate post” is nonsense. The sentence would read:—

“The pass book will be sent to you separately by post.”

17. *However we are enclosing herewith copy of the same for your perusal and record.*

Comment: This is a typical sentence full of “commercial jargon”. It could have been rewritten simply and without loss of meaning as:—

“We are sending a copy of the letter for your record.”

18. *We have for acknowledgement your letter dated 3rd April.*

Comment: “Have for acknowledgement” does not make sense. The sentence should read:—

“We have received your letter of the 3rd April”.

19. *We regret that you did not think it fit to submit your comments on the same uptill now.*

Comment: “Uptill” is colloquial. Rewrite the sentence thus:—

“We regret to note that you did not think it fit to submit your comments on the matter till now.”

20. *The offices in the group should be visited by the Manager at regular periods to assess the conditions prevailing therein and approve us about the same, suggesting at the same time the steps which should be undertaken to improve the business of such offices.*

Comment: "Regular period" is incorrect, write "regular intervals". "Therein" is avoidable jargon. "Approve" should be replaced by "inform". "Steps" cannot be "undertaken", they are "taken". "Such" is an avoidable legal term. Rewrite as two sentences:—

"The manager should visit the offices in the group at regular intervals and keep us informed of the conditions prevailing in them. He should also suggest the steps that should be taken to improve the business of the offices."

21. *Surely we can ill afford to carry on with this type of complaints without taking serious notice.*

Comment: A very clumsy construction indeed. The sentence should be redrafted:—

"Surely we cannot afford to continue receiving complaints of this kind without taking serious notice."

22. *We have since advised our Poona Branch to extend to you all possible co-operation and ensure that you are not inconvenienced for anything which is not unreasonable.*

Comment: The last part of the sentence is unreasonable and certain to puzzle the reader. Redraft:—

".....that you are not inconvenienced by the refusal of any reasonable demand."

23. *As we are not having the limit of the above party covering under the Credit Guarantee Scheme, we are returning the application forms to you.*

Comment: Bank officials seem to be fond of the present continuous tense even when it is not required. "Above party" is incorrect, it should be "above-mentioned party's". Rewrite:—

"As we do not have the limit of the above-mentioned party's covering under the Credit Guarantee Scheme, we are returning the application forms to you."

24. *You are holding old stocks in most of the accounts reported in this report.*

Comment: It is poor composition to repeat the same word twice in a sentence when an adequate substitute can be found. Rewrite:—

“You are holding old stocks in most of the accounts mentioned in this report.”

25. *The enclosed brochure will enable you to start your proposed industry and seek financial assistance from our bank.*

Comment: How can a brochure enable a person to start an industry? The sentence should be reconstructed:—

“The information in the enclosed brochure will guide you in starting your proposed industry and will enable you to seek financial assistance from our bank.”

26. *Please take early steps to regularise the irregularities.*

Comment: You cannot take “early steps”, you can take “early measures”. “Regularise the irregularities” means that you should be regular in the practice of irregularities! The sentence should be reconstructed:—

“Please take early measures to set right all irregularities.”

27. *We acknowledge receipt to one Transfer Certificate...*

Comment: The correct preposition after receipt is “of”.

28. *In this regard please confirm that daily collection.....*

Comment: The sentence should read:—

“In this connection please confirm that daily collection.....”

29. *The party is one of the biggest tea planters in India and they have been awarded — Trophy.....*

Comment: Party is a singular noun and must be represented by a singular pronoun, “they” is, therefore, incorrect. Rewrite:—

"The party is one of the biggest tea planters in India and the company has been awarded the — Trophy..."

30. *We have to request your Mr. Kapur to please call on us at an early date for discussion in the captioned matter.*

Comment: "Your Mr. Kapur" is in bad taste. "Request" and "please" convey the same sense of politeness, "please" should be dropped. "Discussion" must be preceded by an article — "a discussion in" is wrong, it should be "discussion on". The sentence should be reconstructed:—

"We have to request Mr. Kapur, of your firm, to call on us at an early date for a discussion on the captioned matter."

CHAPTER V

LETTERS TO CUSTOMERS

A bank sends out letters to

- a) its customers
- b) other banks
- c) its own branches, departments or head office
- d) government or other bodies and individuals.

Since a bank exists because of, and makes a profit through, its customers, letters to customers must be very carefully written. In salesmanship there is an adage that the banker can fruitfully learn and practise, namely, "The customer is always right". In India, conditions of very imperfect competition and an uneducated populace have created an atmosphere in which bank officials strut about like petty dictators ; and this attitude is reflected in the tone and style of letters written to customers. This is a wrong approach and may cost a bank dear in the years to come, when more courteous rivals will snatch away business and people will realise that banks are not there to do favours to them but to make money.

It is not unusual to find bank officials curtly commanding their customers to "expedite" matters, or informing them rudely, "Please operate your account within limits . . ." Particularly humiliating is the lot of private individuals who have to approach banks for loan or overdraft facilities. The individual approaches the bank official as though he is a humble supplicant and the petty mogul treats him as such. What is overlooked is that on every loan and overdraft the bank makes a comfortable profit. Not only should bank officials remember this and try to be more

courteous, but members of the public should also learn to approach the bank official with more confidence and without experiencing any sense of obligation or inferiority.

Indeed the notion of courtesy to customers should be carried so far that even when the customer is definitely in the wrong he should not be told so in so many words. The matter should be broached tactfully and every effort made not to offend the customer in any way. How exactly this can be done ; how a bank can be firm and at the same time polite and tactful, will be shown by the specimen letters in this chapter.

While writing to customers the following points should be borne in mind:—

- 1) Courtesy and tact must be shown.
- 2) The bank's position must be fully explained to satisfy the customer, but no secrets or vital information should be given out.
- 3) In composing the letter legal and commercial terms must be, as far as possible, left out. The customer may not understand the letter or he might be repelled by it.
- 4) An effort should be made to establish friendlier relations with each letter. Every satisfied customer is a walking, talking advertisement for the bank.
- 5) While replying to a letter of complaint the customer must be assured that his complaint has been taken seriously. Even if his complaint is unjustified he should not be told so bluntly or tactlessly.

In the following examples a typical letter written by a bank, in the wrong tone, will be given ; below it will be found the same letter with the correct tone a bank must use towards its customers.

Example 1

Sometimes customers complain of the high rate of interest charged by the bank. This is how some banks reply:—

THE RAMROD BANK LTD.
32, Pit St.,
Bombay 9.

(WRONG TONE)

5th April, 1971.

The Manager,
XYZ Stores,
Bombay 4.

Dear Sir,

Re: Your letter dated 2nd April, 1971.

We are in receipt of your above-noted letter and beg to state that we have charged commission as per the practice prevailing at our end.

Yours faithfully,

Manager.

This is a rude and haughty tone. It suggests that the customer may accept the bank's terms or reject them. No effort has been made to persuade the customer to accept the bank's terms or earn his good will. A self-respecting customer would certainly reject the bank's terms. A letter with the right tone will attempt to explain the difficulties of the bank, without giving out any vital information.

THE RAMROD BANK LTD.
32, Pit St.,
Bombay 9.

(RIGHT TONE)

5th April, 1971.

The Manager,
XYZ Stores,
Bombay 4.

Dear Sir,

Re: Your letter dated 2nd April, 1971.

We have received your letter Ref. No. 321. You certainly have a right to complain about our rise in commission rates. Indeed, in this connection, we have received letters from other customers too.

Unfortunately we are compelled by circumstances to take this step. For, apart from rising costs and the increase in salaries now payable to our staff, we have to take into consideration the fact that other banks have already increased their commission rates twice in the last five years.

In view of this explanation we hope you will appreciate our difficulties and continue to patronise our institution. Assuring you of prompt and willing service at all times,

I remain,
Yours faithfully,
Manager.

Example 2

Customers sometimes claim to have sent cheques which, in fact, have not been received by the bank. Such letters of complaint call for great exercise of tact as the customer has to be told that he is mistaken without offending him.

(WRONG TONE)

THE EXEMPLAR BANK LTD.
Excel Street,
Bombay 1.

7th April, 1971.

Mr. P. B. Gajjar,
23, Fauty Street,
Bombay 32.

Dear Sir,

This has reference to your complaint dated the 2nd April. We receive many letters from people who claim to have sent us cheques. We cannot, however, do anything in the matter unless you can prove that the cheque was actually received by the bank.

Assuring you of prompt service at all times,

We remain,
Yours faithfully,
THE EXEMPLAR BANK LTD.

The closing sentence of the above letter is, to say the least, hypocritical. After offending the customer you offer him your services!

(RIGHT TONE)

THE EXEMPLAR BANK LTD.
Excel Street,
Bombay 1.

7th April, 1971.

Mr. P. B. Gajjar,
23, Fauty Street,
Bombay 32.

Dear Mr. Gajjar,

Immediately upon receipt of your letter of complaint of the 2nd April we carefully looked into our records. Unfortunately we could not trace your cheque, No. CHC 789565, and would, therefore, request you to send us details about registration and/or certificate of posting to enable us to take up the matter with the postal authorities.

May we also take the liberty of requesting you to verify with your office in case the cheque has been misplaced? As we are anxious to investigate any negligence on our side we shall greatly appreciate your early reply.

Yours faithfully,
THE EXEMPLAR BANK LTD.

Example 3

Careless customers often draw cheques for larger amounts than the credit in their accounts permit. Such people must be dealt with tactfully but firmly. There is no purpose in being rude and losing their account altogether.

(WRONG TONE)

THE KIPLY BANK LTD.
Kiply Lane,
Madras 2.

2nd May, 1971.

Mr. R. C. Sampat,
32, Marine Beach,
Madras.

Dear Sir,

Yesterday your cheque No. 3421, dated the 18th April, was cashed resulting in an overdraw of Rs. 64. Please note that this is highly irregular and against the rules of the bank. We shall be obliged if you will arrange to pay the amount immediately and also arrange to maintain sufficient balance in your current account.

Yours faithfully,

Agent.

(RIGHT TONE)

THE KIPLY BANK LTD.
Kiply Lane,
Madras 2.

2nd May, 1971.

Mr. R. C. Sampat,
32, Marine Beach,
Madras.

Dear Mr. Sampat,

Yesterday a cheque for Rs. 5000, drawn by you, was presented for payment. Though the balance to your credit in your current account was only Rs. 4946 we had no hesitation in paying it as I was sure that the insufficient balance was due to oversight.

I would, however, like to inform you that in case you require overdraft facilities for future payments I shall be only too glad to arrange the same for you against adequate security. If you are interested in this suggestion you are welcome to drop in at the bank office on any working day and discuss it with me. In the meanwhile could you please arrange to deposit a sum of Rs. 54 (being the amount overdrawn) and also arrange to maintain a sufficient balance in your current account?

Yours faithfully,

Agent.

Example 4

If the bank is at fault the tone of the letter must be very apologetic and an assurance must be given that things will be right in the future. In the letter given below the apology rings insincere while the tone of the letter is high-handed, indifferent and lacking in warmth.

(WRONG TONE)

THE RICHY BANK LTD.
Connought Circle,
New Delhi.

9th May, 1971.

The Manager,
The Upland Industries, Ltd.,
Ghajir Street, New Delhi.

Dear Sir,

Re: Our AB Credit 890 for Rs. 17,000/-.

With reference to your letter dated the 15th May, bearing reference number CHR 345, we have to inform you that we had already issued our delivery order on Aviation Flights Ltd. without receiving payment from you as the relative documents were received by us. Hence, naturally, on receipt of the documents we debited your account without waiting for your authority letter. You may accordingly inform your Internal Auditors. In future we shall see that your account is debited only on receipt of your authority letter.

Thanking you,

I remain,
Yours faithfully,

Manager.

(RIGHT TONE)

THE RICHY BANK LTD.
Connought Circle,
New Delhi.

9th May, 1971.

The Manager,
The Upland Industries, Ltd.,
Ghajir Street, New Delhi.

Dear Sir,

Re: Our AB Credit 890 for Rs. 17,000/-.

We regret that you were inconvenienced by our debiting your account without receiving your authority letter. We assure you that in future no such inconvenience will be caused to you and that your account will be debited only on receipt of your authority letter.

In connection with the above-mentioned bill we would like to explain that we had already issued our delivery order on Aviation Flights Ltd. without receiving payment from you as the relevant documents were received by us. On receipt of the documents we took the liberty of debiting your account without waiting for your authority letter. We hope that his explanation will satisfy your internal auditors.

Yours faithfully,

Manager.

Example 5

Banks frequently receive letters of inquiry. People find they have a few thousand rupees spare and do not know how best to invest the money. They write to the bank to learn something about the different types of deposits and the interest they might earn. If the bank replies in a cold and official tone (see letter given below) a potential customer might be lost. All efforts must be made to earn the goodwill of the person.

(WRONG LETTER)

THE STRONG BANK LTD.
Weak Street,
Fine Town.

5th June, 1971.

Mrs. T. R. Timid,
5, Shaky Lane,
Fine Town.

Madam,

With reference to your letter dated the 17th April we have to inform you as follows:—

The Strong Bank has facilities for several types of deposits. Unless you inform us about the amount you propose to deposit and the period for which you wish to deposit it, we cannot be of any assistance to you. Hoping to hear from you,

We remain,
Yours faithfully,

The Strong Bank Ltd.
Manager.

(RIGHT TONE)

THE STRONG BANK LTD.
Weak Street,
Fine Town.

5th June, 1971.

Mrs. T. R. Timid,
5, Shaky Lane,
Fine Town.

Dear Madam,

It was indeed a pleasure to receive your letter of the 17th April. Unfortunately we cannot be of help to you until you give us details about the amount you wish to deposit and the period for which you wish to deposit it.

We are enclosing some literature which, we hope, will provide you some of the information you need. But in order to enable us to be of real assistance to you, may we request you to drop in at the bank on any convenient working day ?

Thanking you for the interest you have shown in our bank,

We are,
Yours faithfully,

The Strong Bank Ltd.
Manager.

From the foregoing five examples the reader will have gathered what is meant by the "right tone" in writing to customers. Before we pass on to the next chapter we must consider a few more letters that banks find it necessary to write to customers from time to time.

Advice to a customer wishing to invest money in securities

THE HIGH BANK OF INDIA
Five Rever St.,
Jullander,
Punjab.

9th May, 1971.

Mrs. Kusum P. Kaur,
Tundoori Street,
Jullander, Punjab.

Dear Madam,

This is in response to your letter of the 3rd April seeking our advice in the matter of investment. In this connection we have to state that it is not the practice of our bank to give advice to customers in such matters. As, however, we value your continued association with us, we consulted our brokers and are quoting below their report.

Report:—"In view of the fact that your customer wishes to invest only Rs. 10,000 we would suggest that the entire sum be invested with one company only and that it should not be divided or invested piecemeal. Considering market conditions we find the XYZ Company has been paying a steady and high dividend of 14 p.c. over the last three years. We would urge your client to invest the sum in this company."

We would like to stress that the report of the brokers reproduced above is given on the distinct understanding that no liability attaches to the bank or any of its officials.

Assuring you of the best service at all times, we remain,

Yours faithfully,

The High Bank of India.
Manager.

COMMENT: Banks usually take the double precaution of quoting a broker and also stating that no liability shall attach to the bank while writing such letters. This is done to safeguard the bank in case the investment should prove to be a bad one. The first part of the letter is designed to make the customer feel obliged and to earn her goodwill.

Reply to a customer who wishes to stop payment on a cheque

THE KANNADA BANK
5, Museum St.,
Bangalore.

7th May, 1971.

Mr. P. R. Pai,
7, Arty St.,
Bangalore.

Dear Sir,

We have received your letter No. 345 dated the 5th May, 1971 asking us to stop payment on cheque No. 12345, dated 4th May, 1971, for a sum of Rs. 125/-.

As you desire, we have issued instruction to stop payment on presentation of the above-mentioned cheque. The bank, however, should not be held responsible if payment of the cheque is made through oversight.

Yours faithfully,

Agent.

COMMENT: This is a routine letter. The last sentence is the customary safeguard for the bank.

Purchase of Shares or Securities

THE POONA BANK LTD.
5, East Street,
Poona.

7th May, 1971.

Mr. T. L. Deshpande,
Nanak House,
Main Street,
Poona.

Dear Sir,

Re: Your letter dated 15th April, 1971.

We have followed the instructions contained in the above-mentioned letter and have purchased — number of shares at Rs. 50/- per share of the Hooting Navigation Co. and at Rs. 70/- per share of the Marattha Bank, Ltd. This rate is inclusive of brokerage.

The total amount of Rs. 5,857.30p., which includes our commission at 15 paise per cent., has been debited to your account.

Yours faithfully,

Manager.

Letter acknowledging instructions given by a customer

THE POLISHED BANK LTD.
7, Highclass Road,
Bombay, 34.

9th May, 1971.

Mr. P. M. Rustomji,
78, Malabar Hill,
Bombay 99.

Dear Mr. Rustomji,

We have received your letter of the 4th May, containing a standing order. As desired by you we will pay, as and when due, the sum of Rs. 75/- every year to the Scribblers Society and debit the amount to your current account No. 567.

Yours faithfully,

Manager.

COMMENT: The purchase of securities or shares and the carrying out of standing orders are only two of the many services that banks offer to their customers. The Share Department looks after purchase of shares, while the Current Account Department usually carries out standing orders. Standing orders may pertain to the payment of Life Insurance policies, club and gymkhana bills, motor-car taxes, or any other payments of a periodic nature.

Letter requesting a customer to close his account

THE BOMBAY BANK LTD.
Banker Street,
Bombay 10.

6th May, 1971.

Mr. V. K. Sarang,
7, Shivaji Park,
Dadar, Bombay.

Dear Sir,

I am instructed by my directors to communicate their request to you to close your current account 6543 on or before the 30th of June. My directors were reluctantly compelled to arrive at the decision to terminate your account after going through the record of your account.

Since the 10th November, 1970, it has been necessary to return ten cheques of yours. The last cheque of this nature was presented for payment only a week ago and had to be returned owing to insufficient funds. This mode of operating the account harms not only the reputation of the drawer but also that of the bank. You will, therefore, please make alternate arrangements and terminate the account by the 30th of June.

Yours faithfully,

Agent.

COMMENT: A letter of this nature is very rarely sent, and when sent it is for a very good reason which is made clear to the customer. Particular care must be taken while posting a letter of this nature to see that it does not get misdirected, and, whenever possible, record of delivery should be kept.

CHAPTER VI

LETTERS TO OTHER BANKS

When one bank writes to another the tone of the letter assumes less importance. Banks are in business for profit and not to please each other. No time or space should be wasted on elaborate courtesy. This does not mean that the tone of the letter must be curt; politeness is necessary in all business letters.

In a letter addressed to another bank, legal and other technical terms can be freely used. Such terms should not be used deliberately, as a matter of style, but to help the person who receives the letter to grasp its meaning clearly in the least possible time. For Time in the business world, as everyone knows, is Money.

Special attention must be paid to make the letter clear, concise and brief. It would be a poor reflection on the bank that sends out a letter if the receiving party has to write back for a clarification. While replying to a letter sent by another bank it would be rude to forget to mention the reference number given by the letter-writer.

Status Inquiries

One of the commonest topics for the exchange of bank letters is the credit-worthiness of a person or company. Suppose Mr. A wants to do business with Mr. B, but does not know the financial standing or credit-worthiness of the latter, he asks his bank to make inquiries and find out the "status" of Mr. B in the business world. Assuming that the bank does not have any dealings with Mr. B, it may request a sister institution to provide the necessary information.

A bank never replies about the credit-worthiness of a person directly to another customer or individual. Such replies are always sent through other banks. In case a customer or individual makes a direct inquiry, this is how the bank must reply:—

THE MADRAS BANK LTD.
8, Marine Beach,
Madras.

12th May, 1971.

Mr. R. T. Sampat,
15, Roa Street,
Madras 9.

Dear Sir,

This has reference to your letter of the 9th May. We regret we cannot accede to your request in its present form. We shall be happy to answer your status inquiries if they are sent to us by your bankers. This is strictly in accordance with banking practice and should not be construed by you as a reflection on the person making the inquiry.

Yours faithfully,

Manager.

When the same inquiry is sent through another bank the reply will be forthcoming but in a very guarded and cautious manner. Particularly in India, there is a tendency to be non-committal. This is on account of a fear for possible action for defamation or libel. The letter is usually sent sealed, by registered post, or hand delivered. The envelope is marked "Private & Confidential" and the words are repeated on the enclosed sheets. The covering letter makes it clear that no liability shall attach to the bank or its officers. As if this were not enough the report is full of phrases like "it is reported", "it is learnt from sources", etc., and above it is appended a semi-legal note once more trying

to safeguard the bank. The report itself (as an anti-climax) may not extend to more than two sentences. Here is a typical example:—

Private & Confidential

THE CAUTIOUS BANK OF INDIA LTD.
Frightened Street,
Red-tape Town.

8th May, 1971.

The Manager,
The Quistive Bank Ltd.,
Inquiry Street,
Red-tape Town.

Dear Sir,

Subj: Your letter of inquiry dated 1st May, 1971.

With reference to the above-mentioned letter we are enclosing a report on the party concerned. This report is sent on the express condition that no responsibility shall attach to the bank or any of its officers. If the gist of this report, or any portion of it, is communicated to any of your customers the name of this bank should not be disclosed.

Yours faithfully,

Manager.

Encl: one report.

PRIVATE & CONFIDENTIAL

(NOTE) This opinion is not a representation or a guarantee. It is, and must be taken as, private and confidential and is given by the bank without prejudice on the express condition that the bank and its servants are held free from all liability in connection with it.

OPINION

We are informed that Mr. Kashinath Puri, of Puri Stores, Bombay, is well established in the city and enjoys a respectable reputation in business circles. He is considered a man of fair means and good for ordinary business engagements.

Sometimes a bank wishes to verify the credit-worthiness of a party for its own records. As the opinion is not to be passed on to any customer, banks are a little more free in answering such inquiries. Here is the letter of inquiry and its reply:—

THE BANK OF KERALA LTD.
5, Banking Lane,
Trivandrum.

8th May, 1971.

The Chief Agent,
The People's Bank Ltd.,
"People's House",
Fine Street, Trivandrum.

Dear Sir,

We understand that you have had dealings with Mr. T. Paru, proprietor XYZ Stores, in the past. In this matter could you give us information about his credit-worthiness as we are bringing our accounts up-to-date? We wish to know the approximate line of credit extended and also your experience with respect to amounts now owing to you.

Any information provided by you will be treated in the strictest confidence and no liability will be deemed to attach to your bank or any of its officers. We shall be glad to reciprocate when the opportunity arises.

Yours faithfully,

Manager.

Reply to the foregoing

PRIVATE & CONFIDENTIAL

THE PEOPLE'S BANK LTD.
"People's House",
Fine Street,
Trivandrum.

10th May, 1971..

The Manager,
The Bank of Kerala Ltd.,
5, Banking Lane,
Trivandrum.

Dear Sir,

Re: Your letter of status inquiry dated the 8th May, 1971..

This is in response to your above-mentioned letter. We are giving below our opinion on the party concerned on the express condition that no responsibility shall attach to the bank or any of its officials. We also stipulate that in the event of the gist of this report being communicated to any of your clients or customers the name of this bank should not be revealed.

Yours faithfully,

Chief Agent.

OPINION

The party in question has ceased to enjoy overdraft and other facilities with our bank since January last. Last year we had considerable difficulty in recovering loan amounts with the interest thereon.

Reply to the above

PRIVATE & CONFIDENTIAL

THE BANK OF KERALA LTD.
5, Banking Lane,
Trivandrum.

13th May, 1971.

The Chief Agent,
The People's Bank Ltd.,
"People's House",
Fine Street,
Trivandrum.

Dear Sir,

Re: Your report on Mr. Paru dated the 10th May, 1971.

We thank you for furnishing a report on the above-noted party so promptly. It has helped us greatly in arriving at a decision in the matter of extending cash credit facilities to the party concerned.

Looking forward to reciprocating your favour,

We remain,
Yours faithfully,

for The Bank of Kerala, Ltd.
Manager.

Other letters from one bank to another

Inquiry about cheque for collection

This is a routine letter. The tone is formal and business-like as hundreds of letters of this kind have to be sent out, and similar letters are received in large numbers.

THE BANK OF BURMAH LTD.
Burmah Lane,
Bombay 1.

21st May, 1971.

The Agent,
Commerce Bank Ltd.,
Commerce Road,
Bombay 2.

Dear Sir,

Re: Cheque for Rs. 25,000/-: Our collection No. 987.

The above-mentioned cheque on the Bank of Burmah, Ltd., was sent to you on 1st April for collection. The proceeds have not yet been remitted to us. Our customer, Mr. Gehi, has already called twice at our office in this connection.

We shall greatly appreciate learning from you whether the cheque has been paid. And if it has not been paid the reason for non-payment.

Yours faithfully,

Manager.

Letter to a bank enclosing documents for signature by a customer who will call for that purpose

THE BANK OF BOMBAY LTD.
Denark Street,
Bombay 4.

9th June, 1971.

The Round Bank Ltd.,
Square Lane,
Bangalore.

Dear Sirs,

We have asked our customer, Mr. P. V. Desai, to call at your office on any working day next week and sign the enclosed Deposit Form and Blank Transfer. Mr. Desai has been provided with a letter of introduction to you.

Please help Mr. Desai in the matter of explaining the forms and witnessing his signature. A stamped addressed envelope for your use is enclosed.

Yours faithfully,

Manager.

Encl: 1. Deposit Form
2. Blank Transfer

Follow-on Letter

THE BANK OF BOMBAY LTD.
Denark Street,
Bombay 4.

19th June, 1971.

The Round Bank Ltd.,
Square Lane,
Bangalore.

Dear Sirs,

Thank you for your letter dated the 15th June, enclosing the Deposit Form and Blank Transfer duly executed by Mr. Desai. It will give us pleasure to return the favour when the occasion arises.

Yours faithfully,

Manager.

Comment : It is always better to write a "follow-on" letter to thank the bank after the work has been done than to thank the other bank "in anticipation". It costs only the price of a post-card or envelope but it creates greater goodwill and a better impression.

Letter to another bank for verification of signature

THE BANK OF BOMBAY LTD.
Denark Street,
Bombay 4.

19th June, 1971.

The Round Bank Ltd.,
Square Lane,
Bangalore.

Dear Sirs,

Mr. Prabhu, formerly of Bangalore, now residing at Andheri, Bombay, states that he has maintained an account for several years with your bank. Kindly verify the signature on the enclosed card as that of Mr. Prabhu and return the card to us. We have enclosed a stamped addressed envelope for your use.

Yours faithfully,

Manager.

Comment : Similar letters are sent by one branch office to another.

Letter to a distant bank introducing a customer

THE BHARAT BANK LTD.
"Bharat House",
5, Link Rd.,
Bombay 1.

19th May, 1971.

The Manager,
London Bank,
9, Banker's St.,
London, N.W.

Dear Sir,

The bearer of this letter is Mr. Nariman, valued customer of our bank. He plans to reside in London for an indefinite period. As this is Mr. Nariman's first trip to the U.K. we shall be grateful if you will be of assistance to him in all matters in which he may need your help.

We hope we shall get an early opportunity to return the favour.

Yours faithfully,

Manager.

Letter of complaint from one bank to another

Correspondence and business between one bank and another is not all smooth sailing. The branch of a particular bank might be inefficient and might hold up business involving large sums. If reminders to the branch manager fail to produce the necessary effect then the aggrieved bank has no recourse but to complain to the head office of the offending branch. Here is a specimen letter:—

THE COMMERCE BANK LTD.
8, High Street,
Calcutta 2.

9th June, 1971.

The General Manager,
Pruie Bank Ltd.,
7, Hornby Road,
Bombay 1.

Dear Sir,

Re: Our BTMU 9876 dated 9th Dec. '70 for Rs. 45,000/-
Our BTMU 3217 dated 5th Jan. '70 for Rs. 21,000/-
Our BTMU 7654 dated 9th Jan. '70 for Rs. 52,000/-
sent for collection to your Phulpur office.

The above-mentioned bills have been detained at your Phulpur branch for a very long period. As several reminders to the Agent of the branch have produced no response we are writing to you.

The bills sent to your Phulpur branch for collection are detailed against specific instructions given in our schedule. To prove our contention we have mentioned bills in the captioned item. Please ask your Phulpur Branch to return the captioned bills immediately if they are still lying unpaid and let us know the reason that has made it necessary to detain them for such a long period. Please instruct the Agent to return all our D.A. bills which have not been paid according to our instructions.

Yours faithfully,

Manager.

Letters to and from the Reserve Bank of India

With parliament and press raising an annual cry for total bank nationalisation, the powers of the Reserve Bank have been increasing from year to year. There has been a corresponding increase in the volume of correspondence

addressed to the Reserve Bank from other banks and vice versa. As the Reserve Bank is the dispensing party and the other banks are the supplicating parties there is an unfortunate tendency on the part of the other banks to assume a servile tone. It is common to find their letters to the Reserve Bank beginning with the words "we beg to state" or "we beg to apply", etc. This is undignified, especially as these banks never use this form of address to other banks or clients. There are more ways of writing a pleasing letter than by "begging".

The Reserve Bank is a sanctioning authority and here is a typical letter sent by it:—

RESERVE BANK OF INDIA
CENTRAL OFFICE
EXCHANGE CONTROL DEPARTMENT
BOMBAY 1.

29th September, 1970.

The General Manager,
XYZ Bank Ltd.,
7, Bank Street,
Bombay 3.

Dear Sir,

Re: M/S Prestons & Co. Ltd., Liverpool.

Please refer to the correspondence pertaining to your letter marked "Bills FBP" dated 13th September, 1970, regarding the cash credit to be granted to the above-mentioned firm.

We are agreeable to your granting cash credit facilities upto £21,000/- (Sterling pounds twenty one thousand only) to the captioned firm on the terms set out in your letter marked "Bills FBP" dated the 12th May, 1970.

Yours faithfully,

for Controller
Exchange Control Dept.

Foreign Exchange is not the only sphere in which the Reserve Bank exercises strict control. While giving loans to customers banks have to explain, in detail, to the Reserve Bank the interests, if any, the directors or their relatives may have in the business of the customer. Here is a specimen letter addressed to the Reserve Bank:—

THE INTERESTED BANK LTD.
“ Interest House ”,
5, Currey Road,
Bombay 6.

31st March, 1971.

The Chief Officer,
Department of Banking
Operations & Development,
Reserve Bank of India,
Central Office, Bombay 1.

Dear Sir,

Re: Advance against shares — Account
Goodluck Investment Corporation
(Pvt.) Ltd., with our Phulpur Branch.

In reply to your letter of inquiry dated the 6th February, 1971, we are enclosing a statement showing shares held by our Phulpur Branch in the above-mentioned company and a copy of the borrowing company's balance sheet.

We wish to inform you that no director of this bank is interested as director, managing director, managing agent, manager, employee or guarantor in the borrowing company. We also wish to make it clear that no director of this bank holds a substantial interest in the borrowing company.

In the light of the above-given explanation we hope you will give your approval for fixing a repayment schedule.

Yours faithfully,

Agent.

But it is not only as an inquisitive, domineering parent that the Reserve Bank functions. Sometimes a bank needs the good offices of the Controlling Bank to iron out a difference with another bank or party. In such cases the intervention of the Reserve Bank is frequently sought and is readily available. The letter given below is an illustration.

THE FORWARD LOOKING BANK LTD.
Onwardlooking Street,
Bombay 4.

7th May, 1971.

The Reserve Bank of India,
Exchange Control Department,
New Delhi.

Dear Sir,

Re: SRP / DEL-3902413
Our FBC 76548 for Rs. 1,100/-
Account M/s Mussa & Yusuf, Phulpur.

A parcel containing ivory and sandalwood wares was despatched by the above-mentioned exporters to Ceylon. The Ruey Bank, through whom the documents have been routed, report that the parcel has been returned by the postal authorities as the same was not cleared. The Bill for the parcel, on the other hand, remains unpaid by the drawees, as they have not received the consignment as per the order placed by them.

Our branch at Phulpur has made several requests to the exporters to show documentary evidence of the return of the parcel, but in vain. This matter has been dragging on since January and the exporters continue their silence. We shall be grateful if you will take up the matter with the exporters and enable us to remove this long-outstanding item from our records.

Yours faithfully,

Agent.

c.c. to Phulpur Branch.

CHAPTER VII

CORRESPONDENCE WITH THE HEAD OFFICE

Inter-departmental correspondence, — the nature of which will be clearly understood when Part II of the book is read, — is one form of Internal Correspondence. Letters from the head office to the branches and from the branches to the head office is another form of Internal Correspondence. As this correspondence remains within the bank (within the family, so to say) there is a tendency to be slipshod, careless and to take much for granted. This is an unhealthy tendency as it results in considerable waste of time and energy when explanations have to be sought and letters written a second time.

When a branch manager or agent writes to the head office, he must put forward his facts, figures and arguments in such detail that the head office does not have to re-inquire into the matter. This is not a plea for lengthy communications. For lengthy communications, as businessmen know, corrupt good management. This is only a warning against sketchy, inaccurate correspondence.

The tone of the branch manager's letter must be respectful but never servile. While making out a case to persuade the head office on a particular line of action he must present his arguments logically. A logical arrangement of ideas usually implies proceeding from the general to the particular. If the branch manager wishes to shift the location of the branch office he must first present a general picture of the geography and economy of the region before describing particulars of the proposed site.

When the head office of a bank writes to its branches its letters serve as models for the officers and clerks at the receiving end. This is often overlooked with the result that

shabby, poorly drafted letters from the head office serve as a corrupting influence on all letters sent out by the branches. The persons who draft letters at the head office should take great care to see that their letters are examples of accuracy, clarity and courtesy so that officers and clerks at the branches may imitate them.

Seated behind their desks at the head office, surrounded by other desks, issuing orders and never being contradicted, the officers and clerks who draft letters in the branch control department tend to become dictatorial. They forget that they are dealing with human beings at the branches and rap out their orders and counter-instructions without bothering about the psychological effects of this attitude on people working in the branches.

It is, again, a common complaint that the officers and clerks who draft letters in the branch control department at the head office are legalistic and theoretical in their approach. They do not understand, and cannot sympathise with, the practical problems that face branch managers who deal with customers and their individual problems at a personal level. It is very easy for the head office official to curtly inform the branch manager that the overdraft facility for a particular customer should not be renewed. It is the branch manager who has to face the music and persuade the irate customer not to close down his account with the branch. It is to help branch managers and agents in situations like this that the head office official should remember to give full explanations and reasons for the rejection of a particular application. This will enable the branch manager to inform the customer tactfully and satisfy him in every detail.

The bulk of the correspondence between head office and branches pertains to the granting of loans to customers at the branch level. Usually branch managers or agents are given the authority to grant various forms of loans, against securities, to a certain limit. For sums above this limit ("discretionary power of the agent") the permission of the

head office has to be taken. The proposal for consideration of loan is submitted to the branch control department (also known as the Branch Inspection Department) at the head office, which, after careful scrutiny, places the proposal before the board of directors or chairman or general manager. The procedure varies from bank to bank.

THE GOODLUCK BANK LTD.
9, Raobhadur Street,
Jabalpur.

9th May, 1969.

The Manager,
Branch Control Department,
Goodluck Bank, Head Office,
M. Gandhi Road, Bombay 1.

Dear Sir,

Shri P. M. Puri, who is a valued client of our branch, approached me yesterday for a loan of Rs. 4 lacs against adequate security. After studying the detailed report given below I hope you will place the matter before the board and grant your approval at an early date.

PROPOSAL

Jabalpur City

Re: Party's talk with the undersigned and letter dated 8th May, 1969, (enclosed).

Party's name: M/s Filmstan Exhibitors.
Sole Proprietor: Mr. Parmeshwar M. Puri, reported worth about Rs. 20,00,000/-.

Guarantor: Mrs. Sita P. Puri—wife of Mr. P. M. Puri, reported worth about Rs. 19,00,000/-.

Requirement: Mortgage Advance against the following securities:
Rs. 4 lacs — 1. Cinema house in Jabalpur, owned by the guarantor. Market value about Rs. 10 lacs.
2. Land and buildings near Jabalpur, owned by Mr. P. M. Puri — Market value about Rs. 4 lacs.
3. Hypothecation of cinema machinery, furniture and fixtures, valued at Rs. 1½ lacs.

Repayment: By equal quarterly instalments of Rs. 25,000/- each.

Profitability and sources of repayment:

| | |
|--------------------------------|---------------------|
| Gross income of the borrower | ... Rs. 4,16,000 |
| Less: all expenses, rent, etc. | ... 2,66,000 |
| Net profit subject to taxes | ... <u>1,50,000</u> |

Remarks: The party has been in the film exhibition and distribution business for over twenty years. He has considerable experience in the field and enjoys a sound reputation in the business world. He proposes to use the loan amount to expand his existing business. He has been dealing with our bank for more than fifteen years in a most satisfactory manner.

Yours faithfully,

Manager.

Reply to the above

THE GOODLUCK BANK LTD.

Head Office,

M. Gandhi Road,

Bombay 1.

B C D

14th May, 1969.

The Agent,

The Goodluck Bank Ltd.,

9, Raobhadur Street,

Jabalpur.

Dear Sir,

Re: Your proposal for loan to P. M. Puri
dated 9th May, 1969.

In view of what is stated by you in the above-mentioned letter and in view of your strong recommendation we hereby sanction the amount of loan on the terms and conditions mentioned by you and against the mortgage and hypothecation items enumerated by you. You are, however, requested to induce the borrower to deposit more funds with our bank, if he is not already dealing exclusively with us.

Yours faithfully,

Manager.

Sometimes an agent, valuing the connections of a particular customer, pesters the head office for permission to give a big loan. On such occasions the head office is inclined to come down heavily on the agent — and rightly so.

THE GOODLUCK BANK LTD.
Head Office,
M. Gandhi Road,
Bombay 1.

4th April, 1969.

B C D
The Agent,
The Goodluck Bank Ltd.,
9, Raobhadur Street,
Jabalpur.

Dear Sir,

Re: Your telex dated 20th March 1969.

Your telex message was placed before our general manager for his review of the proposed facilities which, as you are well aware, were rejected earlier. Our general manager now wishes to know why you value the party's connections to such an extent that you have chosen to accommodate it under your discretionary powers even after the head office had rejected the proposal earlier.

This persistence in accommodating a party in contravention of head office instructions has intrigued us all the more as the person in question does not seem to have been banking with us regularly. Please furnish a detailed explanation for this at your earliest.

Yours faithfully,

Manager.

In most banks the head office recruits clerical and supervisory staff and posts it at various branches. It, therefore, becomes the duty of the branch manager to furnish detailed reports on the functioning of the staff under him to the head office. Letters, like the one given below, have to be frequently sent.

THE GOODLUCK BANK LTD.
9, Raobhadur Street,
Jabalpur.

8th May, 1969.

The Manager,
Branch Control Department,
Goodluck Bank Ltd.,
Head Office, M. Gandhi Road,
Bombay 1.

Dear Sir,

Re: Confirmation of Mr. L. D'Souza.

Mr. L. D'Souza joined our branch as an assistant accountant on the 7th May, 1968. He was to have remained on probation for one year. As Mr. D'Souza completed the period of probation yesterday, I recommend that he be confirmed as a permanent member of the staff.

Mr. D'Souza has given his immediate superiors complete satisfaction with his work, and I have found him a hardworking and prudent young man.

Yours faithfully,

Agent.

When a bank has several branches in a region, very distant from head quarters, a chief agent is appointed to supervise the work of all the branches in the region. The branch agents or managers are answerable to the chief agent, and the chief agent is, in turn, answerable to the head office. The chief agents are required to submit reports on their own and the functioning of branches is, in addition, examined by auditors or examiners appointed by the

head office. If a particular region starts showing losses, the chief agent is the first person to be pulled up, as this letter illustrates.

THE INDIA BANK LTD.

India House,
Pin Street,
Bombay 2.

4th June, 1969..

Mr. J. M. Martin,
Chief Agent,
The India Bank Ltd.,
7, Kingpin Road,
Vijawada.

Dear Mr. Martin,

We are disappointed to read the auditor's report on the working of the branches under you. The offices in your region which showed profits till 1963 have begun showing losses. This sorry state of affairs seems to be due to lack of proper control over sub-agents.

The reversed profit position has been causing anxiety to your directors and they are eager to know the reason for it. They would appreciate receiving from you a detailed report on the extent of deterioration and the steps you propose to take to remedy the situation.

The auditor's report shows that several good accounts have been lost in the last year, and it is generally felt at the head office that the chief agent must be held responsible for this. It is in this connection that we would like to remind you to pay frequent and unannounced visits to the various branches under you. This will help you to maintain a proper check and will tone up the efficiency level at the different branches.

Yours faithfully,

General Manager.

An enterprising agent or branch manager often submits reports and suggestions on his own initiative to improve the bank's business. It is only the dull agent who is content to submit the reports and information demanded by the head office. Here is a letter written by an enterprising branch manager:—

THE BANK OF SAFETY LTD.

Poonal Branch,
7, Low Street,
Poonal.

4th April, 1969.

The General Manager,
The Bank of Safety Ltd.,
Head Office, Bruce St.,
Calcutta-4.

Dear Sir,

The Poonal Branch of our bank, of which I have the honour to be manager, was established in 1939. At that time Poonal was a small district town, boasting of a population of not more than 100,000 people. We attracted good business at that time as, on Low Street, we found ourselves in the centre of the small business world of Poonal. In the last decade, however, Poonal has become a large town with a population of more than 700,000. The town itself has grown westwards in the direction of the chemical factory set up by the state government. Low Street is no longer the centre of the business world and consequently our deposits have remained static over the last few years.

West Street contains most of the business offices and is close to the staff quarters of the chemical factory. The Bank of Burmah has already started a branch on West Street and is, by all accounts, finding it difficult to cope with the heavy load of work. It is already planning to shift to a larger and more spacious building. I would, therefore, suggest that we shift our bank to West Street as early as possible.

Mr. Dupal, a valued customer of our branch, is prepared to lease the ground floor of his new building on West Street to us at a moderate rate. Please let me know whether I should start negotiations with him for leasing the premises and on what terms and basis such negotiations should be carried on.

Yours faithfully,

Manager.

The head office has also to write letters sanctioning various items of expenditure:—

BCD/235
THE BRIGHT BANK LTD.
Lingh Street,
Bombay 10.

8th June, 1969.

The Chief Agent,
The Bright Bank Ltd.,
Pyarelal Street,
Bhoj, Srinagar.

Dear Sir,

You may permit our Civil Lines, Prag Office, to purchase the articles listed in your letter of 1st May, 1969, addressed to us. The furniture should be purchased for the Civil Lines sub-agent's residence at the prices mentioned by you. The total cost of the furniture and fixtures should not exceed Rs. 1,220/-.

Yours faithfully,

Manager.

Branch managers and agents are required to submit monthly or quarterly reports to the head office on the functioning of the branches under their control. Some of the reports are submitted in the form of letters, as under:—

THE BRIGHT BANK LTD.

Pyarelal Street,
Bhoj, Srinagar,

8th May, 1969.

The General Manager,
The Bright Bank Ltd.,
Head Office, Lingh St.,
Bombay 10.

Dear Sir,

It gives me pleasure to submit the monthly report of the business transacted by the branch under my control for the month ended 30th April, 1969.

Deposits :

| Account | Number | March | Increase or decrease | |
|---------|--------|-----------|----------------------|---------------|
| | | | April | over March |
| Current | 210 | 65,41,289 | 67,52,390 | plus 2,11,109 |
| Savings | 20 | 1,42,345 | 1,56,556 | plus 14,211 |
| Fixed | 150 | 8,19,150 | 8,20,150 | plus 1,000 |

Advances :

| Number | March | April | Increase or decrease | |
|------------------|----------|----------|----------------------|-------------|
| | | | over March | |
| Cash Credits | | | | |
| 30 | 3,50,000 | 3,75,000 | | plus 25,000 |
| Loans | | | | |
| 80 | 4,00,000 | 3,95,300 | | less 4,700 |
| Overdrafts | | | | |
| 75 | 2,50,500 | 2,50,500 | | ... |
| Bills Purchased | | | | |
| 30 | 7,00,000 | 6,50,750 | | less 49,250 |
| Bills Discounted | | | | |
| 100 | 16,500 | 21,000 | | plus 4,500 |

Bills & Drafts :

| | | |
|-------------------------|-----|--------------|
| Drafts and T. T. paid | ... | Rs. 2,75,350 |
| Drafts and T. T. issued | ... | Rs. 5,50,000 |

Cash Position :

| | | |
|---------------------------|-----|-------------------|
| Balance of cash in hand | ... | Rs. 2,73,543.30p |
| Balance with Reserve Bank | ... | Rs. 21,85,987.00p |
| Balance with other banks | ... | Rs. 2,04,876.00p |

Income :

| | | |
|-----------------|-----|---------------|
| Interest earned | ... | Rs. 45,550.50 |
| Exchange | ... | Rs. 999.65 |
| Commission | ... | Rs. 500.00 |

Expenditure : Rs. 11,733

General Business Activity :

Business in the locality continues to be brisk on account of the Agricultural Fair in the town, which is likely to continue for another month. It is reported that the Rajasthan Bank will be opening a branch in the town in the near future.

Yours faithfully,

Agent.

CHAPTER VIII

MISCELLANEOUS LETTERS

The volume of a bank's correspondence is prodigious, and not all of it is addressed to customers or other banks. A bank has to deal with all sorts of people and institutions. It is difficult to generalise about the tone and style to be used in such letters and, hence, in this chapter a few typical letters have been given with comments on each.

Example 1

Letter to a Clearing Agent refusing his offer

THE BRIGHT BANK LTD.
Light Lane,
Bombay 2.

3rd April, 1971.

(WRONG TONE)

M/s Hassubhai & Sons,
Clearing Agents,
Reary Dock, Bombay 2.

Dear Sirs,

With reference to your letter No. 789 dated 25th March, 1971, requesting us to appoint you as clearing agents of consignments of M/s Thomson & Pailor, we regret we are at present unable to comply with your request.

Yours faithfully,

Manager.

Comment: Though M/s Hassubhai & Sons are not customers of the bank there is no need to be so curt with them. A bank must always seek out potential customers or people

who will speak well of the bank. The letter could have been so drafted that the goodwill of M/s Hassubhai & Sons was won. Some day they might bank with the Bright Bank or recommend it to their friends. All letters sent out by a bank to individuals or companies must be sales-oriented. Consider this redraft:—

Dear Sirs,

We thank you for your letter No. 789 dated 25th March, 1971, requesting us to appoint you as clearing agents for consignments of M/s Thomson and Pailor. Unfortunately, your application reached us rather late and we had already entrusted the work to Ghelabhai & Co. We have, however, kept your application on our files and hope to approach you in the future.

Yours faithfully,

Manager.

Example 2

Letter to a furniture-maker complaining about the quality of work

THE NATIONAL BANK LTD.
Hill Road, Bandra,
Bombay 50.

3rd May, 1971.

The Manager,
Ideal Furniture Mart,
Linking Road, Khar,
Bombay 52.

Dear Sir,

Re: Desk-cum-counter made by you for us.

I am very disappointed with the quality of work involved in making the desk-cum-counter for our office. The piece that you have made for us is shabby and lacks finishing and polish. It is quite different from what you have shown in your glamorous advertisement.

I am withholding payment of the sum of Rs. 1,200/- due to you for the piece as I feel your workmen should call again and give it a better finishing with a touch of polish.

Yours faithfully,

Manager.

Comment: This is a straightforward letter and should be written simply and directly. Unfortunately, bank officials find it difficult to draft such letters. It is not uncommon to find such letters by bank officials beginning with pompous phrases such as, "I hereby draw your attention....." and ending with the ridiculous conclusion, ".....do the needful and oblige."

Example 3

Letter to the Municipality complaining about unemptied dust-bins

THE PURITY BANK LTD.

Puja Marg,
New Delhi.

6th June, 1971.

The Health Officer,
Municipality of Delhi,
Municipal Buildings,
New Delhi.

Dear Sir,

For several weeks dust-bins in the vicinity of the bank have not been emptied and cleaned. The foul smell from the dust-bins is causing great inconvenience to us and our numerous customers.

We hope you will take prompt action on receipt of this letter. We did not complain earlier as we expected you to realise your civic obligations and duties, especially towards institutions which are prompt tax-payers to your municipality.

Yours faithfully,

Agent.

Comment: This letter has to be firm. It does not always pay to threaten to complain to higher authorities, and that aspect is, therefore, better left out.

Example 4

Reply to a customer complaining of the rude behaviour of a clerk at the branch office :

THE BRIGHT BANK LTD.
Light Street,
Bombay 2.

4th July, 1971.

Mr. P. R. Suri,
7, Kashmeri Street,
Jullunder, Punjab.

Dear Mr. Suri,

Re: Your letter of complaint dated 30th June, 1971.

It was thoughtful of you to send a copy of your letter addressed to our Jullunder Branch to me. Your annoyance is quite justified if the clerk in question has been behaving in an unseemly manner and has deliberately delayed handing over the pass-books of customers.

Immediately upon receipt of your letter I have written to the agent at our Jullunder Branch and asked him to look into your complaint. I expect to hear from him next week.

I regret to note that you have been forced to take the drastic step of closing your account with our branch. I have instructed the agent to be of immediate help to you in this or any other matter.

Yours faithfully,

General Manager.

Comment: The chances are that, on receipt of such a letter, signed by the General Manager, the customer will decide not to close down his account. It should be noted how commercial jargon has been omitted from this letter and how the General Manager has not taken it for granted that the complaint is genuine. He has only promised to investigate the complaint promptly!

Example 5

Letter to the postal authorities

Comment: Banks are heavily dependent on postal facilities for rapid transport and communication of messages. Letters to postal authorities for various purposes are, therefore, frequently written.

THE REALITY BANK LTD.
Rapid Street,
Bhalpur.

8th May, 1971.

The Postmaster,
Bhalpur Post Office,
Rear Street,
Bhalpur.

Dear Sir,

On the 15th April, between 8 a.m. and 10 a.m., we forwarded through your office a parcel containing copies of various documents addressed to Mr. Purelal, our legal adviser, at the Raipur Branch of our bank. We have just learnt from Mr. Purelal that the parcel has not yet been received by him. Could you please make the necessary inquiries and let us know the result?

We enclose the Certificate of Posting in respect of the parcel.

Yours faithfully,

Agent.

Example 6

Sales letter to customers or the general public

Comment: Taking the help of a telephone directory, branch managers can send individual letters to members of the public informing them of some new facility being offered by the bank. The tone of these letters must be appealing and the language completely free from commercial jargon.

THE HELPFUL BANK LTD.

67, Link Road,
Royapuram,
Madras.

4th July, 1971.

Mr. P. T. Rajagopal,
54, Rank Street,
Royapuram, Madras.

Dear Mr. Rajagopal,

If you are planning to buy new furniture or a new car the *Helpful Bank* will enable you to do so without digging into your bank balance or savings. We have started a new loan scheme by which customers of the bank can obtain short and long term loans for the purpose of buying furniture or new cars. The rate of interest is very nominal.

You do not have to give any security or guarantee. All that the bank requires is that (a) you should be a customer of the bank with a deposit account (current or savings) of more than Rs. 7,000/- and (b) that you should be able to assure the bank of your ability to repay the loan by fixed monthly instalments.

Why not drop in at the bank and meet our manager to obtain full details?

Yours faithfully,

Assistant Manager.

Example 7

Letter to establish goodwill with a customer

At the branch level managers and agents should try to build up as much goodwill with customers as possible. The type of letter given below is scarcely ever written in India, but it is in the interests of banking institutions to start writing such letters.

THE GOODWILL BANK LTD.

Polite Mansion,
Courtesy Lane,
Fine Town.

6th May, 1971.

Dr. P. B. Thalli,
" Mon Repose ",
Quick Street,
Fine Town.

Dear Dr. Thalli,

Going through our account books this morning I came across the ledger containing your current account with us. I realised that you have been a regular and loyal customer of our institution for nearly fifteen years. It is people like you who have helped to make the Goodwill Bank the largest bank in the private sector.

This letter is just to thank you for your kindness and loyalty to us and assure you once again that it gives us great pleasure to serve people like you. Wishing you many hours of happy banking,

I remain,
Yours very truly,

Agent.

Example 8

Another letter to build up goodwill

THE GOODWILL BANK LTD.

Polite House,
Courtesy Lane,
Fine Town.

5th May, 1971.

Mr. M. K. Khan,
"Aspiring",
High Street,
Fine Town.

Dear Mr. Khan,

The staff members of Goodwill Bank join me in congratulating you on your election as Mayor of Fine Town. It pleased us all greatly to read in the morning paper that an old and friendly customer of our branch had been elected to this exalted office.

Yours very truly,

Agent.

PART II

This section of the book is specially written for those who are actually associated with the work of banking.

*The welcome news is in the letter found ;
The carrier's not commission'd to expound ;
It speaks itself, and what it does contain,
In all things needful to be known is plain.*

—Dryden

CHAPTER I

DEPARTMENTAL CORRESPONDENCE

The work of a bank, like that of any other commercial institution, is divided and shared by the different departments of the bank — this practice is based on the sound principle of the Division of Labour. The larger the office and volume of work the larger the department and number of people working in it. But whether fifty clerks in the head office deal with overdrafts or a single clerk looks after overdrafts in a branch office, the nature and content of the correspondence is about the same. The purpose of this chapter is to acquaint the reader with the types of letters that are daily sent out by some of the important departments of a bank.

Correspondence Pertaining to Deposits :

It is through Current Deposit, Savings Deposit and Fixed Deposit accounts that banks derive the major source of their income. Separate departments look after each of these, but as the nature of the letters written is similar, they will be considered as one for the purpose of this chapter. Though most of the letters are addressed to customers, i.e. to depositors, by these departments, quite a few have to be addressed to other banks too.

Reply to a customer who wishes to open a Savings Account with the bank :

THE FINE BANK LTD.
Proctor Street,
Bombay, 7.

8th May, 1971.

Mr. P. R. Gandhi,
Tambrin Lane,
Bombay, 7.

Dear Sir,

In response to your letter of enquiry dated 4th May, I am sending along with this letter a pamphlet containing all the rules and regulations pertaining to the opening of a Home Savings Account with our bank. In case you require any further guidance you may drop in at the bank on any working day, during working hours, and ask for the undersigned. I would also like to thank you for the interest you have shown in our bank.

Yours faithfully,

Agent.

Comment: Some banks have letters like the one given above printed or cyclostyled. This is not advisable. A typed letter always gives a personal touch and appeals to the customer — he feels that the bank is taking interest in him as an individual depositor.

Letter thanking a customer for introducing a new depositor :

Comment: Banking practice requires that a new depositor should be introduced to the bank either by an existing customer or by someone well known to the bank. When a customer has been introduced formally by an existing customer, courtesy demands that the bank should thank the latter. It is bad manners to have such a letter printed or cyclostyled.

THE FINE BANK LTD.
Proctor Street,
Bombay, 7.

15th May, 1971.

Dr. P. S. Modi,
"Belle-Cicle",
Fream Street,
Bombay, 7.

Dear Dr. Modi,

This is just to thank you for having introduced Mr. P. R. Gandhi to our bank and for having attested his application. Wishing you many hours of happy banking,

I remain,
Yours faithfully,

Agent.

Letter informing a customer of the dishonour of a cheque :

THE FINE BANK LTD.
Proctor Street,
Bombay, 7.

9th June, 1971.

Mr. U. Godbole,
Kukul Kunj,
5, Shivaji Park,
Bombay 56.

Dear Mr. Godbole,

Re: Cheque No. 765 dated 8th May, 1971 for Rs. 501/-

We regret that the above-mentioned cheque which was presented for payment had to be returned unpaid on account of insufficiency of funds. As the matter of provision for cheques is frequently overlooked by customers we urge them to maintain larger deposit accounts or make provision for overdraft. The present balance to your credit is Rs. 350.35 p.

Yours faithfully,

Agent.

**Letter to a customer informing him of payment of money
to his credit :**

THE FINE BANK LTD.
Proctor Street,
Bombay, 7.

9th June, 1971.

Karambhai & Sons,
Umbrella Merchants,
Rain Street,
Bombay 8.

Dear Sirs,

This is to inform you that yesterday we received a sum of Rs. 7000/- from Messrs Husa & Hassam for your credit. The amount has been credited to your Current Account No. 987.

Yours faithfully,

Agent.

Comment: This is a routine letter and is printed or cyclo-styled for convenience.

**Letter to another bank transferring the credit balance of
a customer :**

Comment: When a customer wishes to transfer a part or the whole of his credit balance to another bank it is not necessary to withdraw the amount physically. If instructions are clearly and properly given then the banks will arrange the transfer.

THE FINE BANK LTD.
Proctor Street,
Bombay 7.

10th June, 1971.

The Agent,
Grip Bank Ltd.,
Firm Street,
Bombay 2.

Dear Sir,

Under instructions from our customer, Mr. K. M. Porbunderwalla, we have transferred the balance of Rs. 7889.90 p. standing to the credit of his Current Account with us to your end. This amount is to be credited to his Current Account No. 963 with you.

Yours faithfully,

Agent.

Letter of explanation for wrongful dishonour of a cheque by the bank :

Comment: When a customer has sufficient funds and the bank dishonours a cheque it is a serious matter indeed and may, if the customer is inclined to make trouble, involve the bank in defamatory proceedings. The bank must, immediately upon realisation of its mistake write a letter of apology to the customer. It must also write a letter of explanation to the person who presented the cheque and in whose eyes the reputation of the customer may be said to have been lowered.

THE FINE BANK LTD.
Proctor Lane,
Bombay 7.

9th May, 1971.

Mr. K. N. Kundundani,
Sodawater Stores,
Karuchi Street,
Bombay 8.

Dear Sir,

This letter is in connection with the cheque presented by you on 6th May, 1971, and which we returned unpaid. We sincerely

regret that the cheque was returned unpaid in view of the fact that Mr. Kumar had more than sufficient balance to his credit with us. The dishonour of cheque was owing to a clerical error on our part.

Yours faithfully,

Agent.

Certificate of Current Account operation issued by a bank :

Comment: Customers often require certificates like the one given below. Such certificates have to be submitted to Income Tax departments and to various other governmental departments. Sometimes such certificates are required by pass-port authorities too.

THE FINE BANK LTD.
Proctor Lane,
Bombay 7.

9th July, 1971.

This is to certify that Messrs. Karamchand & Bros. maintain a Current Deposit Account with us. The account was opened on 27th May, 1954, and is operated by one of the two partners of the firm, viz., Mr. Hassu Karamchand and Mr. Passu Karamchand.

Agent.

Certificate for business turn-over issued by a bank :

Comment: Municipal departments and sometimes the City Commissioner of Police require certificates like the one given below. Certificates like these enable the civic authorities to classify the business of the customers as belonging to class "A", "B" or "C".

THE FINE BANK LTD.
Proctor Lane,
Bombay 7.

6th July, 1971.

This is to certify that the Current Deposit Account Turn-over of Messrs. Jamnadas & Bros. was as follows:

Turn-over during the half-year ended 30th June, 1970:

| | |
|--------|--------------------|
| Debit | Rs. 3,09,953.30 p. |
| Credit | Rs. 3,18,754.90 p. |

Turn-over during the half-year ended 31st December, 1970:

| | |
|--------|--------------------|
| Debit | Rs. 2,40,100.31 p. |
| Credit | Rs. 2,50,267.84 p. |

Agent.

Certificate for deposit of cheque in customer's account :

THE FINE BANK LTD.
Proctor Lane,
Bombay 7.

11th May, 1971.

Certified that a cheque bearing No. 79765 for Rs. 567.00 drawn on the United Bank Ltd., Bombay, has been deposited by Mr. Passuram and the same on realisation has been credited to his Home Savings Account No. 1282 with us on 1st May, 1971.

Manager.

Reply to a customer who has asked for special cheque forms :

Comment: Customers—large joint stock companies or firms—who have to issue several cheques every day often ask for special cheque forms with the name of the firm or company printed on them. If such a request is received by a branch manager he refers the request to the Stationery Department in the head office.

THE FINE BANK LTD.
Prospect Street,
Bombay 7.

8th May, 1971.

The Manager,
Fixley & Company, Ltd.,
67, Barkley Street,
Bombay 5.

Dear Sir,

We have received your letter dated the 2nd May, 1971. We note that you wish to have the name of your company printed on the cheque book as under :

For Fixley & Co., Ltd.,
MANAGER.

In view of the fact that you have been maintaining a very satisfactory Current Deposit Account with us the Head Office has readily agreed to your request. The cheque book will be sent to you before the end of this week.

Manager.

Standing Orders :

Comment: Standing Orders are orders from customers to banks requiring them to make periodic or regular payment of money to institutions or associations. The sum is deducted from the Current or Savings account of the customer. Usually such orders are given in connection with the payment of Life or Fire Insurance policy premiums, income tax, and subscriptions to associations or clubs.

THE FINE BANK LTD.
Prospect Street,
Bombay 7.

9th June, 1971.

The Manager,
W. I. A. A.,
Bombay 1.

Dear Sir,

Under instructions from Mr. Parvez Daruwala we send along with this letter a cheque for Rs. 18/- being the annual membership subscription of Mr. Daruwala payable to you. We shall thank you to acknowledge receipt of the cheque.

Yours faithfully,

Agent.

Reply to a letter of inquiry about Fixed Deposit Rates :

THE FINE BANK LTD.
Prospect Street,
Bombay 7.

30th June, 1971.

Mr. B. A. Advani,
"Sushila",
4, Wadbaoy Road,
Bombay 5.

Dear Sir,

We thank you for your letter of inquiry dated 26th June, 1969. At present our bank provides the following fixed deposit facilities bearing the following rates of interest:

4% per annum for a deposit for 3 months.

5½% per annum for a deposit for 6 months.

6½% per annum for a deposit for 12 months.

We would, however, like to draw your attention to the fact that the above-quoted rates are subject to change without notice, and that interest would cease from the date of maturity of the deposit.

Yours faithfully,

Agent.

Letter to a customer informing him of service charges debited to his C. A.:

Comment: Not all current accounts are a source of steady revenue for the bank. On the other hand the bank has to spend effort, time and money in providing services to even such unremunerative current account depositors. Most commercial banks, therefore, charge a small amount to the customer for services rendered. Though the charge is debited to the account of the customer by the bank, it is necessary that the customer should be informed about the charge. This type of letter proves to be one of the most unpopular ones that a bank sends to its customers, and its reply is usually an indignant protest by the customer. To avoid receiving the indignant protest the letter sent by the bank should be polite and tactful and should explain the reason for the charge.

THE FINE BANK LTD.
Prospect Street,
Bombay 7.

21st May, 1971.

Mr. M. K. Munshi,
8, Gogat Street,
Fort, Bombay 1.

Dear Mr. Munshi,

The enclosed folder will give you the new rates of commission that are being charged by the Fine Bank Ltd. The revised rates of commission have become necessary on account of the increasing cost of postage and transport. Hitherto we have not charged you any commission as the services rendered by us to you were of a normal nature and may have been said to be covered by the normal services provided free by this bank to its customers. An analysis of your current account operations in the last month, however, reveals that the services rendered by our bank to you have been of a different order and which the bank, as a commercial institution, can only provide to customers only with loss to itself.

In view of the above explanation we hope you will send us your cheque for a sum of Rs. 7/-, this being the commission payable by you to us for services rendered during the month of April. If you so desire it, we will debit the sum to your current account and inform you accordingly.

Yours faithfully,
Agent.

Correspondence relating to overdrafts :

An overdraft is a type of loan given by a bank to its customers. It is an arrangement by which the bank allows a customer to draw out more money from his account than is actually there. The bank, of course, charges interest on the overdrawn amount. Overdraft facilities are allowed only to current account depositors and against adequate security. A simple illustration will show how an overdraft account operates. Suppose Mr. Shukla has Rs. 7000 in his current account. He has also arranged for an overdraft facility of Rs. 5000. Now in case Shukla wishes to pay someone Rs. 10,000 he can do so by drawing a regular cheque and without giving prior intimation to the bank. Banks usually accept debentures, shares, government paper and even life insurance policies or fixed deposit receipts by way of security.

Letter to a customer allowing him overdraft facilities :

THE BANK OF BHARAT LTD.
7, Museum Street,
Bangalore.

12th June, 1971.

Mr. H. D. Hoskot,
90, Zooish Street,
Bangalore.

Dear Mr. Hoskot,

Re: Your application for overdraft dated 1st June, 1971.

With reference to the above-mentioned application it gives me pleasure to inform you that the board of directors have sanctioned for you an overdraft limit of Rs. 10,000/-. This limit carries an

interest of $3\frac{1}{2}\%$ over bank rate, subject to a minimum of $9\frac{1}{2}\%$. This facility is given to you on the full assurance and guarantee of the Golkunda Assurance Company and is for the purpose of purchasing office furniture and fixtures. Details of such furniture and fixtures, as and when purchased, should be submitted to the bank.

Please send a draft of the guarantee policy from the Golkunda Assurance Company to enable us to proceed further in the matter. As a valued customer of our bank I would like to seize this opportunity of congratulating you and wishing you the best of luck in your new office and venture.

Very truly yours,

Manager.

Letter asking a customer for more margin :

Comment: Sometimes the shares given by a customer as security depreciate in value or are adversely affected by market fluctuations. On such occasions banks write to the customers asking them to either make good the difference or to deposit fresh security. Sometimes this letter is printed or cyclostyled for frequent use.

THE BANK OF BHARAT LTD.
7, Museum Street,
Bangalore.

9th May, 1971.

Mr. R. M. Pai,
78, Palace St.,
Bangalore.

Dear Sir,

Re: Your overdraft/loan account with us.

This is to inform you that taking into consideration the present market quotations the advance value of your shares, after deducting the agreed margin, is Rs....., whereas the balance due by you to the bank is Rs. Please arrange to send a sum of Rs.in reduction of the balance or alternately send further acceptable shares to cover the advance with the necessary margin.

Yours faithfully,

Manager.

Letter to a customer informing him of the bank's intention to charge interest on a minimum balance :

Comment: Some customers are by nature over-cautious. They make a provision for overdraft and then hardly ever utilise the facility. The bank will find this unprofitable for while a certain amount of money has to be set aside to accommodate the overdraft there is no interest earned as the customer does not require the amount. Banks either ask the customer to terminate the overdraft facility or charge him a certain amount by way of interest on an agreed overdraft limit. A letter of this type must be tactfully written and a full explanation provided to the customer.

THE BANK OF MADRAS LTD.
85, Marina Beach,
Madras 7.

23rd July, 1971.

Messrs. Sampat & Sampta,
101, Marina Beach,
Madras 7

Dear Sirs,

Re: Your overdraft arrangement with us.

This has reference to the overdraft arrangement with us by which you were allowed overdraft facilities to the extent of Rs. 2,00,000 against the security of government papers of the value of Rs. 3,00,000. While studying the operation of this account by you during the year ended 31st March 1971 we discovered that you utilised the overdraft facility only twice and that too for sums not exceeding Rs. 10,500.

As your account has shown a credit balance for the greater part of the year the bank has found it unremunerative to continue granting you overdraft facilities. This is because a sum of Rs. 2,00,000 has to be kept ready for your use at all times, while the interest earned by us on the same is nil or negligible.

Taking into consideration your long and valued association with the bank, my directors have asked me not to request you to terminate the overdraft facility, but to find out from you whether you will be agreeable to pay a charge of interest on a minimum amount of Rs. 20,000. This will enable you to continue to have the power to overdraw your account to the extent of Rs. 2,00,000 and also benefit the bank.

Your early reply to this letter will be greatly appreciated.

Yours faithfully,

Manager.

Letter rejecting an application for overdraft facilities owing to insufficient security offered :

THE BANK OF MADRAS LTD.
85, Marina Beach,
Madras 7.

24th July, 1971.

Mr. P. T. R. Punnekar,
"Bella Vista",
5, Union Street,
Madras 9.

Dear Sir,

Re: Your application for overdraft facilities
dated 8th July, 1971.

I regret to inform you that my directors do not see their way to grant you the overdraft facilities required by you. It is the considered policy of this bank not to grant advances in excess of 80% of the market value of the class of securities mentioned by you in your application. I may be able to arrange overdraft facilities to the extent of Rs. 8,000/- against the shares offered by you, if you so desire. If, however, you insist on a limit of Rs. 10,000 I have to request you to deposit similar additional securities of the market value of Rs. 2,500 to enable me to place the matter before my directors for review.

Yours faithfully,

Manager.

Transfer of overdraft limit to other branches :

Comment: Customers who bank with the head office may on occasions require the overdraft facilities to be divided and extended to other branches of the same bank to enable business to be carried on without loss of time. Banks usually have no objection to such an extension and division of facilities.

THE BANK OF MADRAS LTD.
85, Marina Beach,
Madras 7.

9th August, 1971.

Mr. L. M. Rangachari,
6, Cawliflowerr St.,
Madras 8.

Dear Sir,

Re: Your letter Ref. No. 765, dated 4th August, 1971.

In reply to the above-mentioned letter we wish to inform you that we have no objection to transfer a total limit of Rs. 7,00,000 to our Agra (Rs. 2,00,000), Calcutta (Rs. 3,00,000) and Bombay (Rs. 2,00,000) branches respectively from your over-all overdraft sanctioned limit of Rs. 60,00,000. This arrangement will leave your balance limit at the head office at the sum of Rs. 53,00,000.

Yours faithfully,

General Manager.

Cash Credit Department :

Cash Credit is yet another form of loan given by a bank to a customer. A limit, as in overdraft, is prescribed and the borrower can operate the account within the limit as and when he likes. He can also provide alternative securities from time to time. Cash credits are usually allowed against a pledge or hypothecation of goods, or against personal security. If the facilities extended allow the bank to make a good profit then cash credit is extended, sometimes, for years together.

Letter to a customer informing him of the sanction of cash credit facilities :

Comment: Branch managers are required to obtain the sanction of the head office before allowing cash credit facilities involving large sums. The head office before sanctioning the limit investigates the credit worthiness of the customer. For this purpose most banks have set up a separate department known as the Credit Investigation Department.

THE BANK OF BOMBAY LTD.

**"Bombay House",
8, West Street,
Calcutta 9.**

7th July, 1971.

The Manager,
Relex Industries Ltd.,
10, Circle Avenue,
Calcutta 7.

Dear Sir,

Re: Your application for Cash Credit Facilities.

With reference to your letter dated 26th June, 1971, I have the pleasure of informing you that the head office has sanctioned, as required by you, a sub-limit of Rs. 1,00,000 against a pledge of stocks of petrol pump parts and other raw material purchased by you locally.

This facility will be allowed to you within the already sanctioned total Cash Credit limit of Rs. 2,50,000. The stocks proposed to be pledged to the bank shall be stored with our clearing agents and shall be properly insured with an approved insurance company. A margin of 30% shall be maintained on the original invoice value of such stocks and interest at $4\frac{1}{2}\%$ over bank rate, subject to a minimum of $9\frac{1}{2}\%$, shall be charged for this facility. Original invoices in respect of the goods pledged shall be held by the bank.

Yours faithfully,

Agent.

Refusal to allow C. C. facilities owing to inadequate security :

THE BANK OF BOMBAY LTD.

"Bombay House",
8, West Street,
Calcutta 9.

7th July, 1971.

The Manager,
Relex Industries Ltd.,
10, Circle Avenue,
Calcutta 7.

Dear Sir,

Re: Your application for Cash Credit Facilities.

With reference to your letter CCH/0987 dated 28th June, 1971. I regret that the head office has not seen its way to allow you Cash Credit facilities against a pledge of petrol pump parts as suggested by you. It is the considered policy of this bank not to allow Cash Credit facilities against stocks of parts and equipment not imported through it. If you can make alternative arrangements for security I shall be glad to place your case before the head office for review.

Yours faithfully,

Agent.

Letter to the Registrar of Companies for record :

Comment: When goods are pledged by a company in return for Cash Credit facilities the Registrar of Companies has to be informed. The Registrar enters the details in his books and issues a certificate for the same.

THE BANK OF BOMBAY LTD.
10, Nicoll St.,
Bombay 4.

8th August, 1971.

The Registrar of Companies,
Maharashtra State,
4, Marine Lines,
Bombay.

Dear Sir,

Re: The account of Hansraj Brothers (Pvt.) Ltd.

We enclose with this letter a notice in Form No. VIII giving particulars of a charge of Rs. 1,00,000 created by the abovementioned company in favour of the bank. The letter of hypothecation dated 27th July, 1971, being the instrument creating the charge, is also enclosed. We shall thank you to return it as soon as you have done with it.

Please send us your certificate after you have recorded particulars about the charge in your books. We have sent Rs. in cash, being your fees for filing the charge.

Yours faithfully,

Manager.

Encl: Notice in Form VIII
Letter of hypothecation

Letter to an insurance company to obtain confirmation of guarantee :

Comment: When goods are not pledged or hypothecated but Cash Credit facilities are granted on the basis of a guarantee given by an insurance company it becomes necessary to obtain the written consent of the insurance company to the arrangement.

THE BANK OF BOMBAY LTD.
10, Nicoll St.,
Bombay 4.

8th August, 1971.

The Manager,
The Finery Assurance Co. Ltd.,
Fire Water Street,
Bombay 1.

Dear Sir,

Re: Your Policy No. 098765 for Rs. 75,000/- in favour
of the bank on account of the New Launchboat
Company Ltd.

We had written to you on the 29th July, 1971, of our intention
to continue Cash Credit facilities to the New Launchboat Company
Ltd. We now wish to inform you that we have allowed continuance
of the advance of Rs. 50,000/- for a further period of one year
on the existing terms and conditions.

We shall be glad if you will let us know, as soon as possible,
whether you are agreeable to extend your guarantee for the
branch's continued advance. If you are agreeable we shall appreciate receiving your guarantee policy.

Yours faithfully,

Manager.

Letter to Head Office to find out the credit-worthiness of a customer :

Comment: When a customer approaches a branch for Cash Credit facilities or other forms of advances, the branch manager writes to the head office to find out if the customer is safe for the amount being loaned. Such letters are usually addressed to the Credit Investigation Department, where there is one. Such letters are usually printed for convenience and frequent use.

THE BOMBAY BANK LTD.

"BOMBAY HOUSE",
Shanker Peth,
Thana.

7th July, 1971.

The Manager,
Credit Investigation Department,
The Bombay Bank Ltd.,
10, Nicoll St.,
Bombay 4.

Dear Sir,

Please send us a credit report on the under-noted party
at your earliest.

Name: Irownworks

Business: Manufacturers of steel goods

Proprietor/Directors: Mr. Pransukhlal Jehevari

Date of opening account: 10th December 1967

Present Balance: Rs. 17,590 (Credit)

Yours faithfully,

Agent.

Reply to the above :

THE BOMBAY BANK LTD.

CREDIT INVESTIGATION DEPTT.

10, Nicoll Street,
Bombay 4.

15th July, 1971.

The Agent,
The Bombay Bank Ltd.,
"Bombay House",
Shanker Peth,
Thana.

Dear Sir,

With reference to your letter dated 7th July, 1971,
please note the following information:

Concern: Irownworks

Proprietor: Pransukhlal Jehevari

Manufacturers of steel goods and moulded articles.

Established in April 1957. Said to be respectable.

Since Mr. Jehevari has emerged in the business world only recently, his financial position is not known in business circles.

Examination of Mr. Jehevari's Wealth Tax assessment order induces us to estimate his means at about Rs. 8,00,000.

Mr. Jehevari also trades in Poona under the style of Velji Mulchand & Co. as a manufacturer of steel products. He is also a director of Mehani & Sons (Pvt.) Ltd.

Yours faithfully,

Agent.

Letter to a customer who has not paid interest on his loan account :

THE BANK OF BOMBAY LTD.

"Bombay House",
Linking Road,
Khar, Bombay 52.

9th June, 1971.

Messrs. Gehi & Sons,
Sujita Niwas,
5A Godhbunder Road,
Santa Cruz, Bombay.

Dear Sirs,

Re: Your loan account with us

We find from our records that we have not received your cheque for Rs. 5000 in respect of the interest amount for the month of April 1971. Please arrange to send us the cheque on receipt of this letter. This will enable us to inform the head office that your account is clear and that all the monthly repayments and interests have been paid up-to-date.

Yours faithfully,

Agent.

Letter to a customer informing him of the granting of Bills Discounting Facility :

Comment: When a bank grants a customer a Bills Discounting facility it is only another form of advance. A simple illustration will show how this type of loan or advance works. Suppose Mr. Pai has a bill for Rs. 1,000 which is due after 90 days. Mr. Pai decides to get the bill discounted with a bank today. The bank will pay him only Rs. 975 (Rs. 25 is the gain of the bank, a type of interest on the amount). After 90 days, however, the bank will collect the full sum of Rs. 1000.

THE ELECT BANK LTD.
5, Rock St.,
Bhelpur.

8th February, 1971.

Messrs. Pyerelal & Kanaylal,
Hardware Market,
Bhelpur.

Dear Sirs,

Re: Bills Discounting Facilities.

With reference to your letter dated 16th January we are glad to inform you that our board of directors has sanctioned an increased limit of Rs. 15,00,000 for discounting bills at our bank. This facility is to extend to 30/45 Days Clean Usance or D. A. Bills drawn by you on your local and/or upcountry dealers in respect of goods sold to them.

This facility is subject to the condition that all the bills drawn by you are promptly paid on the respective due dates and that in all other respects the account is conducted satisfactorily.

Yours faithfully,

Manager.

Re-finance Department :

Re-finance is a comparatively new concept in Indian banking. It is the direct outcome of the Industrial Revolution that has been taking place since 1947 and the broad-based socialism underlying the conception of Five Year Planning. In the past, commercial banks were not keen on giving medium or long term loans to small industries. This was because commercial banks did not have very large deposits and moreover they preferred to play it safe by loaning for short periods and that too only to very reliable and established industries. To help industrial expansion the government encouraged the idea of "re-finance". By this scheme, commercial banks are encouraged to give long and medium term loans to new and expanding industries on the assurance that a great portion of the loan would be made good to the bank by public bodies like the Industrial Finance Corporation, State Finance Corporation, National Industrial Development Corporation and similar institutions attached to the Reserve Bank of India. As "re-finance" work has been gaining in importance every year most of the larger commercial banks in India have opened "refinance" departments. Usually this department works in close contact with the branch control department and the credit investigation department. The set of letters given below will clearly illustrate the working of the department.

Letter setting out terms and conditions to applicant for a medium term loan :

THE BANK OF BOMBAY LTD.
10, Nicoll Road,
Bombay 4.

9th July, 1971.

Messrs. Manju & Sen,
6, D. Vatcha Road,
Bombay 1.

Dear Sirs,

Re: Your application for medium term loan of Rs. 25,00,000.

Amount Sanctioned: Rs. 25,00,000 subject to refinance being available to the bank from the Industrial Development Bank of India.

Guarantors: Mr. W. Manju and Shushil Sen, managing directors of the firm.

Purpose: To finance a part of the cost of your scheme to increase production of your existing plant and factory.

Security: Equitable mortgage by deposit of title deeds of the firm's buildings, estates and property at Rajraj, Thana. Valuation of the property is waived by the bank. If, however, the Industrial Development Bank insists on a valuation then such valuation will have to be made at the cost of the firm.

Margin: 50% margin will be maintained on the book-value of the security.

Interest: 3% over the lending rate of the Industrial Development Bank, subject to a minimum of 9½%.

Repayment: The entire advance is repayable within seven years from the date it is availed of by half-yearly instalments.

Please let us know if you are agreeable to the above-mentioned terms and conditions. We shall appreciate receiving your balance sheets, statements and other papers to enable us to submit an application for refinancing to the Development Bank.

Yours faithfully,

Manager.

Letter to the Reserve Bank to obtain permission for re-finance :

Comment: This letter must be sent, and permission obtained, as soon as possible. For all correspondence pertaining to re-finance can be carried on only on the basis of the Reserve Bank permission.

THE BANK OF BOMBAY LTD.
10, Nicoll Road,
Bombay 4.

19th July, 1971.

The Chief Officer,
Department of Banking
Operations & Development,
Reserve Bank of India,
Central Office, Bombay 1.

Dear Sir,

Re: Medium term loan of Rs. 25,00,000 to Messrs. Manju & Sen.

We wish to apply for authorisation to grant a medium term loan of Rs. 25,00,000 to our constituents, Messrs. Manju & Sen. For this purpose we are sending the information and facts required in terms of your circular DBO/D No. CAS 11/C 446-65 of the 8th December 1965.

Name of the party.....

Guarantors or co-obligants:

Purpose of the advance: (see previous letter)

Details of the value of security:.....

Whether any director of the bank is
interested in the borrowing concern:

We hope to receive your authorisation at an early date. Enclosed are the balance sheet, statements, and other papers of the borrowing concern.

Yours faithfully,

Manager.

Reply to the previous letter :

DEPARTMENT OF BANKING OPERATIONS & DEVELOPMENT
Reserve Bank of India,
Central Office,
Bombay 1.

26th July, 1971.

The Manager,
The Bank of Bombay,
10, Nicoll Road,
Bombay 4.

Dear Sir,

Re: Your letter dated 19th July, 1971.

With reference to the above-mentioned letter we wish to inform you that we have no objection to your bank allowing the proposed limit, provided it is fully satisfied on the merits of the borrowing concern.

Yours faithfully,

Joint Chief Officer.

Letter from the I. C. I. C. I. to the borrowing concern :

Comment: While the bank is taking up the matter with some of the government organs, the borrowing company has to put in an effort of its own. It has to write to the Industrial Credit & Investment Corporation of India, Ltd., informing it of its intention of raising a medium term loan through the Bank of Bombay. Here is the reply of the I. C. I. C. I.

INDUSTRIAL CREDIT & INVESTMENT CORPORATION LTD.
163, Backbay Reclamation,
Bombay 1.

20th July, 1971.

Messrs Manju & Sen,
6, D. Vatcha Road,
Bombay 1.

Dear Sirs,

Please refer to your letter dated the 15th June, 1971. We note that you intend to raise a medium term loan of Rs. 25,00,000 from the Bank of Bombay, Ltd., under the re-finance scheme of the Industrial Development Bank of India.

We have no objection to your raising a term loan of Rs. 25,00,000 and increasing the bank borrowing facilities. Please forward copies of the relevant loan agreement and security documents when finalised.

Yours faithfully,

Manager.

Bank's letter to the Industrial Development Bank of India :

THE BANK OF BOMBAY LTD.
10, Nicoll Street,
Bombay 4.

29th July, 1971.

The General Manager,
Industrial Development Bank of India,
Re-finance Department,
9, Mathew Road,
Bombay 4.

Dear Sir,

Re: Re-finance — Messrs. Manju & Sen.

We hope you will consider favourably this application for re-finance. We propose to advance Rs. 25,00,000 to Messrs. Manju & Sen by way of a medium term loan for industrial expansion. Copies of the borrowing concern's Balance Sheet as at 31st December, 1970, are enclosed along with an analysis of it.

Yours faithfully,

Manager.

Reply of the Industrial Development Bank containing its consent :

THE INDUSTRIAL DEVELOPMENT BANK OF INDIA
REFINANCE DEPARTMENT
9, Mathew Centre,
Bombay 4.

24th July, 1971.

The Manager,
The Bank of Bombay Ltd.,
10, Nicoll Street,
Bombay 4.

Dear Sir,

Re : Application for re-finance for Rs. 25,00,000 to
Manju & Sen.

With reference to your application we wish to inform you that we are agreeable, in principle, to grant a loan of Rs. 20,00,000 by way of partial re-finance to the extent of 80% of the loan of Rs. 25,00,000 proposed to be made by your bank to Messrs. Manju & Sen.

The provision for re-finance will be on the following terms and conditions:

1. Interest: Six and a half per cent per annum.
2. Commitment Charge: One per cent per annum on the amount of re-finance undrawn after six months from the date of this letter.
3. Period of Payment: Not to exceed seven years.

We have, also, to request you to give us an indication, in due course, as to when your bank expects to avail of the re-financing facilities in respect of the above-mentioned loan. We would further request you to furnish us with copies of the annual reports and statements of accounts of the firm which are published during the currency of the loan.

Yours faithfully,

Manager.

Comment: Now all that the Bank of Bombay has to do is convey the glad tidings to the eagerly awaiting borrowing company.

Letter from the Re-finance Corporation disbursing re-finance :

Comment: Given below is the letter that is sent by the Re-finance Corporation informing a lending bank that its account with the Reserve Bank has been credited with the re-finance amounts.

THE REFINANCE CORPORATION FOR INDUSTRIES LTD.
Reserve Bank Building,
Post Box 1241,
Bombay 1.

21st August, 1971.

The General Manager,
The Glory Bank Ltd.,
Blazing Street,
Bombay 3.

Dear Sir,

Re: Disbursements of re-finance:

Local Electronics — Rs. 21,50,000
Kasba & Co. — Rs. 7,50,000

This is to inform you that we have credited today your account with the Reserve Bank of India with Rs. 29,000/-. This amount represents disbursements of re-finance covered by the Supplemental Memoranda of Agreement dated 26th December 1967 in respect of the advances made by your bank as given above.

Yours faithfully,

Manager.

Letter from the Industrial Development Bank conveying its willingness to accept advance repayment of re-finance by the borrowing company :

Comment: As and when the borrowing company repays instalments of loan and interest, the lending bank sends the amounts to the Industrial Development Bank. If a branch office is receiving repayment from the customer then the amount is first sent to the head office and transferred by the latter to the I. D. B. It often happens that the borrowing company finds itself, in a few years, in a position to repay the entire amount of the loan. As it does not wish to continue making repayment by periodic instalments, it may suggest that the entire amount be repaid in one final instalment. Neither the lending bank nor the Industrial Development Bank is likely to object to this.

THE INDUSTRIAL DEVELOPMENT BANK OF INDIA
REFINANCE DEPARTMENT
9, Mathew Centre,
Bombay 4.

9th September, 1971.

The General Manager,
The Glory Bank Ltd.,
Blazing Street,
Bombay 3.

Dear Sir,

Re: Repayment of re-finance: Messrs. Bellboy & Gong.

We note that the above-mentioned firm wants to repay the outstanding balance in the loan account. We have no objection to the repayment of re-finance if the outstanding amount (Rs. 5,00,000) is repaid to us on the 2nd of October 1971. The interest on the amount will work out at Rs. 11,000/- if payment is made on the above-given date.

Yours faithfully,

Manager.

CORRESPONDENCE PERTAINING TO FOREIGN BILLS

In all matters pertaining to exports and imports the Reserve Bank plays a ~~very~~ ^{major} role and commercial banks have to refer to it frequently. But while in the case of imports the Reserve Bank tends to be strict and particular, in the case of exports it gives all possible encouragement. Commercial banks are asked to give all sorts of facilities and concessions and the Reserve Bank even offers re-finance to the commercial banks in the case of loans and advances.

Letter from the Reserve Bank granting permission to allow Cash Credit facilities :

THE RESERVE BANK OF INDIA
CENTRAL OFFICE
EXCHANGE CONTROL DEPARTMENT, BOMBAY.

4th September, 1969.

The General Manager,
The Bank of Bombay Ltd.,
10, Nicoll Road,
Bombay 4.

Dear Sir,

Re: Messrs. Pralalka Textiles Ltd., Liverpool.

We are agreeable to your granting Cash Credit facilities upto £ 30,000 to the captioned firm on the terms set out in your letter dated the 26th August.

Yours faithfully,

for Controller.

Letter to an exporter threatening to refer a pending bill to the Reserve Bank :

Comment: While commercial banks are justified in complaining of the tyrannical role played by the Reserve Bank, they also have something to thank the Reserve Bank for. If an exporter proves troublesome to the commercial bank

he can be disciplined by the Exchange Control Department of the Reserve Bank upon complaint by the commercial bank.

THE BANK OF BOMBAY LTD.

10, Nicoll Street,
Bombay

9th June, 1971.

Messrs. Popatlal & Fandabaj,
186, Cutlery Street,
Bombay 8.

Dear Sirs,

Re: Our FBC 45/98 for \$ 2267 drawn on Mehta & Co.,
Singapore.

By our letter dated 1st January, 1971, we had asked you as to the steps you proposed to take against the drawees for the recovery of export proceeds. Five months have passed and we have not received any intimation from you.

Please take note that if we do not hear from you within four days of this letter we shall refer the matter to the Exchange Control Authorities. We would also like to inform you that we have debited your account with our Byculla Branch with Rs. 30/-. This sum is our handling commission on the collection.

Yours faithfully,

Manager.

Another letter to an exporter :

THE BANK OF BOMBAY LTD.

10, Nicoll Street,
Bombay 4.

8th April, 1971.

Messrs. Parwani & Punjwani,
234, Swadeshi Market,
Bombay 2.

Dear Sirs,

Re: Our FBC 98/654 dated 14th January 1971 for
Rs. 2,800 drawn on Messrs. Advani &
Bhumbani of Montreal, Canada.

So far we have received only Rs. 1,400/- in respect of the above-mentioned collection item. No further payment has been received and we would like to know how you propose to recover the balance of Rs. 1,400/- in view of the fact that the drawees refuse to make further payment as the goods were damaged on arrival in Montreal.

This is our second letter in this connection and we shall thank you for a prompt reply.

Yours faithfully,

Manager.

Letter to a branch office, abroad, requesting the agent to demand payment on bills :

THE BANK OF BOMBAY LTD.
10, Nicoll Street,
Bombay 4.

9th July, 1971.

The Agent,
The Bank of Bombay Ltd.,
9, Banking Street,
London, N. W.

Dear Sir,

- Re: 1. Our FBC 76/98 dated 2nd Feb. 1971, for Rs. 4,100 drawn on the Airways Trading Corporation, London.
2. Our FBC 98/43 dated 13th January, 1971, for Rs. 4,200 drawn on the Airways Trading Corporation, London.

We confirm having sent a cable, dated 1st July, 1969, as follows:—

.....

We are informed by the exporters that they are not inclined to reduce the amount of the two bills. In view of this you are requested to demand full payment of the bills from the above-mentioned party.

Yours faithfully,

Manager.

Letter to a foreign bank requesting it to collect payment on bills :

Comment: Very few banks can afford to maintain branches abroad and, therefore, they often avail of the services of foreign banks with whom they have business dealings for the purpose of collecting bills.

THE BANK OF BOMBAY LTD.
10, Nicoll Street,
Bombay 4.

7th August, 1971.

The Chase Manhattan Bank,
Charlotte, St. Thomas,
Virgin Islands.

Attention Collection Department

Dear Sirs,

Subj: Your collection No. †76543.

After protracted correspondence between the drawee and the exporter we have now advised the former to effect payment of the bill. We shall thank you, therefore, to demand payment from the Maxy Trading Corporation. In addition to the sum of Rs. 5,432 please recover Rs. 19/- being our charges and your own charges for collection.

Yours faithfully,

Manager.

Comment: The custom of titling a letter "Attention Collection Department" or "Attention Mr. Jackson" is prevalent in the U. S. A. It is not yet so popular in India. It has the advantage of routing the letter straight to the person or department concerned.

CORRESPONDENCE PERTAINING TO DECEASED CUSTOMERS

When a customer dies leaving a will it is simpler for a bank to allow his legal heirs to operate the account than when he dies intestate. It is a convenient way out to sit back and ask the heirs to prove their bonafides and then hand over the money after a year or two. This, however, is an inhuman approach as it puts the heirs and children of the deceased to great financial inconvenience. In consultation with the legal department, most banks and their branches try to pay the money to the heirs as soon as possible. The set of letters given below will show how the bank can help the heirs of the deceased and at the same time guard its own interests.

THE NATIONAL BANK OF INDIA LTD.
(Bandra Branch)

133, Hill Road,
Bandra,
Bombay 50.

4th July, 1971.

The Chief Officer,
Legal Department,
The National Bank of India,
Head Office, 3, Hornby Road,
Bombay 1.

Dear Sir,

Re: Home Savings Account No. 654 of Mr. P. L.
Deshpane (deceased) with us.

We have been informed by Mr. L. D. Deshpane, father of the above-mentioned depositor, that his son died of an accident while on duty. He has filed an application on our form DP 16 claiming the balance of Rs. 279/- which stands to the credit of the deceased in his account with us.

Could you please permit us to pay the balance standing to the credit of the deceased on his father filing an affidavit to the effect that his son died intestate?

We will also ask him to execute an Indemnity Bond, signed by him, his wife and major children along with two sureties, (Mr. G. N. Patil and Mr. N. Mankekar, both officials of the State Government and drawing salaries of Rs. 675 and Rs. 550 respectively). Both the sureties are customers of our bank.

The claimant has assured us that he will deposit whatever compensation he receives from his deceased son's employers, Bennett & Co., with us.

Yours faithfully,

Agent.

Reply of the Legal Department :

THE NATIONAL BANK OF INDIA LTD.
(Head Office)

Legal Department,
3, Hornby Road,
Bombay 1.

7th July, 1971.

The Agent,
The National Bank of India,
Bandra Branch, Hill Road,
Bombay 50.

Dear Sir,

Re: Your letter dated 4th July, 1971, about
Mr. Deshpande (deceased).

We have no objection to your paying the balance outstanding to the credit of the deceased to his father upon completion of the formalities mentioned by you in your letter.

Yours faithfully,

Chief Officer.

Letter from the bank to the claimant :

THE NATIONAL BANK OF INDIA LTD.
(Bandra Branch)

133, Hill Road,
Bandra,
Bombay 50.
12th July, 1971.

Mr. L. D. Deshpane,
Nanak Chawl,
Station Road,
Bandra,
Bombay 50.

Dear Sir,

Re: H. S. Account No. 654 of your son.

With reference to your application of 1st July, 1971, we have to inform you that we can arrange for payment of the balance standing to the credit of your son on completion of the necessary formalities. We shall thank you to call at the bank on any working day to enable us to assist you in the matter.

Yours faithfully,

Agent.

When Mr. Deshpane calls at the branch office he will be asked to fill in a form, similar to the one given below, and sign it. On the basis of this and the other documents mentioned earlier payment of the balance will be made.

FORM FOR DECEASED ACCOUNT

Name of the Applicant: L. D. Deshpane
Address: Nanak Chawl, etc.

To,
The Manager,
The National Bank of India, Ltd.

Date : _____

Dear Sir,

Re: (full name of the deceased)

I/We regret to inform you that P. L. Deshpane who was having an account with your bank died intestate at Bombay on 20th June, 1971, leaving behind him the within-mentioned persons

as the only surviving legal heirs according to the law of Intestate succession governing the *Hindus*. We beg to give herebelow the information required by you and shall thank you to pay the balance amount to Mrs. Parvati P. L. Deshpane (*wife of the deceased*) on our behalf, without insisting on production of legal representation.

Full title of the account: P. L. Deshpane

Nature of the Account:

Current, Home Savings,
Fixed Deposit, etc.

Home Savings Account No. 654

Place of the Account:

Bandra Branch

Amount of funds:

Rs. 279/-

Details of heirs:

Mrs. P. L. Deshpane (Wife)
Suresh Deshpane (Son minor)
etc.

The deceased has died intestate

Documents Enclosed

Pass Book

Unused cheques

Death Certificate in original

Names and addresses of two account holders of your bank, who have agreed to sign the Indemnity Bond as guarantors jointly with all the surviving heirs of the deceased, are given herewith.

Full Name of the Account
Holder

Name of the branch and No. of the
account.

1. G. N. Patil

Bandra Br. H. S. Account No. 875

2. N. K. Mankekar

Bandra Br. H. S. Account No. 578

I/We declare that the above-given information is correct to the best of my/our knowledge and belief.

Yours faithfully,

Signature of the applicant.

EXECUTORS & TRUSTEESHIP DEPARTMENT

One of the specialised services that banks offer to their customers is that of functioning as trustees or executors. The bank can be appointed as trustee for the property of a person who is living or for the property of a person who is dead and who has appointed the bank executor of his will and trustee of his property. Under a trusteeship banks perform all or some of the following functions:— take care of the investment and estates during the lifetime of the owner and dispose them of at his death according to the terms laid down in his will; manage the property during the owner's lifetime and after his death on behalf of his dependents throughout their lifetime, or till such property is divided according to the instructions of the deceased; to collect money from all debtors and to deal justly with his creditors; to protect his family's inheritance faithfully, wisely and economically. The bank may be appointed sole executor and trustee or co-executor and co-trustee.

Letter by a bank enclosing cheque to one of the beneficiaries by a trust deed :

THE HELPFUL BANK LTD.

Executor & Trustee Department

9, Meadows Street,
Bombay 1.

8th July, 1971.

Mrs. R. T. Gorimar,
Abbas Building,
Jalbhoy Street,
Bombay 4.

Dear Madam,

Re: Settlement (trust) of G. R. Spenser

We are sending your cheque for Rs. 2000/- as per the accompanying statement of account and shall thank you to send us your stamped receipt for it.

Yours faithfully,

Encl: Statement of account.

Accountant.

Letter to claimant or beneficiary under a trust informing him of dividend collected :

Comment: Banks find it convenient to have this letter printed in the form pattern.

THE HELPFUL BANK LTD.

Executor & Trustee Department

9, Meadows Street,
Bombay 1.

10th August, 1971.

To,

Dear Sir/Madam,

We hereby certify that the dividend on the under-mentioned shares was collected by us and that we received payment thereof as follows:—

| Description | Gross Yearly deducted | Income-Tax Super-Tax dividend | Net Amount |
|-------------|-----------------------|-------------------------------|------------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

The dividend was declared at the Company's meeting held on _____. The net amount was paid to you under the settlement dated_____.

The dividend specified above is covered by a certificate issued under Section 203 of the Income Tax of 1961.

Yours faithfully,

Accountant.

To be signed by the claimant:

I hereby declare that the dividend specified above was duly received by me.

Signature: _____

Date: _____

Letter to a Joint Stock Company claiming shares :

THE HELPFUL BANK LTD.

Executor & Trustee Department

9, Meadows Street,
Bombay 1.

14th July, 1971.

The Manager,
The Indian Organic Co.,
"Organic House",
Steel Street,
Bombay 32.

Dear Sir,

We hold 17 shares of the Frendy Mills in our name jointly with P. R. Fernandes. In respect of these holdings you had given us the option to apply for 9 shares of the Frendy Industries. We had accepted the offer and you had sent us the form of acceptance for our signature. The form of acceptance has been, unfortunately, misplaced by our co-trustee, Mr. Fernandes.

We have, therefore, to request you to issue a duplicate form of acceptance which we undertake to return to you duly signed. In the meantime we are sending you our cheque for Rs. 450/- with a request that our rights for the above-mentioned shares may be reserved.

Yours faithfully,

Accountant.

Letter to co-trustee for specific instructions :

THE HELPFUL BANK LTD.
9, Meadows Street,
Bombay 1.

Executor & Trustee Department

9, Meadows Street,
Bombay 1.

19th July, 1971.

Mr. P. R. Fernandes,
D'Monte House,
D'Monte Park Road,
Bandra, Bombay 50.

Dear Mr. Fernandes,

Re: Your settlement.

This is to inform you that we have received Rs. 1,400/- as redemption of Reliance Jute Mills Co. Ltd. Debentures. Please send us specific instructions about the investment of this amount.

Yours faithfully,

Accountant.

MISCELLANEOUS BANK CORRESPONDENCE

Letter from one bank to another to effect transfer of money :

Comment: Owing to the frequent need of sending such letters most banks have this letter printed.

THE BANK OF BOMBAY LTD.
10, Nicoll Street,
Bombay 4.

8th July, 1971.

The Manager,
The Merchants Bank Ltd.,
79, M. Gandhi Road,
Fort, Bombay 1.

Dear Sir,

We shall thank you to effect the following transfers to the debit of our account with you according to the following particulars:

| Amount | In favour of | Branch |
|--------|--------------|--------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |

Yours faithfully,

Manager.

Letter to a branch about a Demand Draft lost in transit :

THE BANK OF BOMBAY LTD.
9, Nicoll Street,
Bombay 4.

14th August, 1971.

The Agent,
The Bank of Bombay Ltd.,
Baroda Branch,
Palace Street,
Baroda.

Dear Sir,

Re: Our D/D No. 95 for Rs. 3,500/- dated 15th July, 1971, printed No. 876 favouring Messrs. Pyro Industries.

With reference to your letter dated the 2nd August, 1971, in connection with the above-mentioned draft, reported to have been lost in transit, we are sending an Indemnity Bond in triplicate, duly signed by the purchaser and ourselves, and shall thank you to contact the beneficiary from Messrs. Pyro Industries, Baroda, for his signature. We are enclosing a duplicate of the draft which you may give to the beneficiary after proper identification.

Yours faithfully,

Manager.

Letter to a branch office asking it to make collection on a bill :

THE MERCHANTHOUSE BANK LTD.
98, M. Gandhi Road,
Fort, Bombay 1.

11th August, 1971.

Dear Sir,

Re: Our bill OBD No. 842 for Rs. 567/-
Drawee: Mangta Cycle Stores
Drawer: Ajanta Stores

With reference to the above-mentioned bill sent to you for collection, we shall thank you to deliver the documents to the drawees against payment of Rs. 467/- only, instead of Rs. 567. Rs. 100/- being the amount of deposit deducted.

Please return the unused D/D to us and arrange to collect Central Sales Tax Form "C" from the drawee before delivering the documents. All other items and conditions remain unchanged.

Yours faithfully,

Manager.

Letter from a branch to the head office asking for confirmation of overdraft allowed :

THE BANK OF BOMBAY LTD.
(Baroda Branch)
Palace Street,
Baroda.

9th July, 1971.

The Manager,
Branch Control Department,
The Bank of Bombay Ltd.,
9, Nicoll Street,
Bombay 1.

Dear Sir,

Re: Messrs. Lalubhai & Ghelabhai.

Messrs. Lalubhai & Ghelabhai, valued customers of ours, had informed us that they were expecting a cheque of Rs. 84,755 from Mehta & Co. in payment of their bill.

They requested us to allow them a temporary overdrawing facility in their Current Account with us in anticipation of the arrival of the cheque. We have allowed them an overdraft facility of Rs. 15,950/- for two days. The account was fully adjusted today. We shall be glad if you will confirm our action in this matter as a special case.

Yours faithfully,

Agent.

Letter to the passport authorities certifying for a customer :

THE NATIONAL BANK OF INDIA LTD.
(Bandra Branch)
34, Hill Road,
Bandra, Bombay 50.

18th January, 1971.

The Passport Officer,
Ministry of External Affairs,
Army and Navy Building,
M. Gandhi Road, Bombay 1.

Dear Sir,

This letter is addressed to you at the request of Mr. and Mrs. P. H. Gandhi, customers of our bank. We are given to understand by Mr. Gandhi that he has applied to you for the issue of a passport for himself and his wife for travel abroad. We are informed that for this purpose he is required to submit a certificate from a schedule bank to enable you to issue the passport.

This is, therefore, to inform you that Mr. P. H. Gandhi is a partner in the firm of Gandhi & Bulsara, a leading firm of architects and city planners. He has been known to us since the inception of this office in May 1953.

Yours faithfully,

Agent.

Letter to a foreign bank requesting it to pay a party on a bill account :

Comment: When goods are imported, with Reserve Bank permission, Indian banks make arrangements with foreign banks to pay the seller of goods on behalf of their customers.

THE BANK OF BOMBAY LTD.
9, Nicoll Street,
Bombay 4.

8th August, 1971.

The Chase Manhattan Bank Ltd.,
International Operations Division,
Letter of Credit Department,
New York, N. Y. 10008,
U. S. A.

Dear Sirs,

Re: Your letter dated 22nd May, 1971.
Documents for \$ 962 under L/C 61827.

To the debit of our account and under advice to us, please pay \$962/- to the Emporiumia Products Ltd., Osaka, quoting their reference No. NM7592. This sum is the proceeds of the above-mentioned bill. Thank you.

Yours faithfully,

Accountant.

Letter informing a customer of the purchase of shares on his behalf :

Comment: Purchasing and selling shares and collecting dividends on them for customers is yet one more service that banks offer to their customers. The volume of work of this nature has increased so greatly in the last few decades that most banks have opened Share Departments in their larger units.

THE BANK OF BOMBAY LTD.
9, Nicoll Street,
Bombay 4.

9th July, 1971.

Mrs. R. T. Cooper,
4, New Marine Lines,
Bombay 2.

Dear Madam,

Re: Your letter dated the 15th June, 1971.

We have followed the instructions contained in the above-mentioned letter and have purchased 78 shares at Rs. 50/- per

share of the Jyoti Textile Mills and at Rs. 150/- per share of Matre Co-operative Bank. This rate is inclusive of brokerage. The total amount of Rs.———, which includes our commission at 20 paise per cent, has been debited to your account.

Assuring you of prompt and willing service at all times.

We remain,
Yours faithfully,

for The Bank of Bombay Ltd.
P. N. Ganguli

Letter to a customer demanding the unpaid balance on an overdraft account :

Comment: This letter must be firm but polite. There is nothing to be gained by calling the customer names or informing him that he is a rogue. When several reminders have failed to induce the customer to pay, the following final letter may be sent:

THE BANK OF BOMBAY LTD.
9, Nicoll Street,
Bombay 4.

9th July, 1971.

Mr. P. M. Chainani,
Causeway House,
5, Colaba Causeway,
Bombay 5.

Dear Sir,

In the past two months we have sent you several reminders about your delinquent account. We regret to note that you have neither paid up the sum owing to us on your overdraft account nor have you bothered to reply to our letters. We have, we believe, given you sufficient opportunity to cooperate with us, and now we will have no recourse but to refer the matter to our legal department. We sincerely hope you will take advantage of this last letter. If we do not receive the money within these six days the matter will be referred to our legal department for further action.

Yours faithfully,

Manager.

Letter to a customer asking him to return papers duly signed :

THE NOBLE BANK OF INDIA
Share Transfer Deptt.
Post Box No. 13.

24th April, 1971.

Mr. J. M. Fazal,
107, Hill Road,
Bandra, Bombay 50.

Dear Sir,

Re: Overdraft.

Please return the enclosed Dividend Mandate form duly completed and signed by you for our record. This will enable us to credit future dividends on your shares to your current account with us.

Yours faithfully,

Encl: Mandate form.

Superintendent.

Letter to a customer informing him of credit to his account :

THE NOBLE BANK OF INDIA
Post Box No. 13.
Securities Department

2nd January, 1971.

Mr. R. T. Tane,
"Anika Court",
5, Shivaji Park,
Bombay.

Dear Sir,

Re: Current account self.

We wish to inform you that we have today credited the above-mentioned account with Rs. 37.37 p. This sum is the interest due on your 4½% Boxal Municipal Debentures for Rs. 2,500/-. The Income-tax deduction certificate is enclosed. Please acknowledge receipt of this letter.

Yours faithfully,

p. Registrar of Securities

Letter informing customer of the closing of an overdraft account as per instructions :

THE BANK OF BOMBAY LTD.
9, Nicoll Street,
Bombay 4.

8th June, 1971.

Mr. J. K. Mehta,
8, Crucible Road,
Bombay 4.

Dear Sir,

Re: Your overdraft account.

As desired by you in your letter of 1st June, 1971, we have closed your overdraft account with us. We are sending the upper halves of 3 p. c. Conversion Loan of 1956 bearing distinctive Nos. By246551/522 (2×500). Please acknowledge receipt of these. The lower halves of the loan papers are being sent separately with a copy of this letter.

We have transferred Rs. 271.61 p.—the entire balance of your account with us—to our Kalbadevi office for the credit of your current account with them. The particulars are:—

| | |
|----------------|------------|
| Credit Balance | Rs. 273.61 |
| Less postage | 2.00 |
| | <hr/> |
| | 271.61 |
| | <hr/> |

Yours faithfully,

Manager.

Letter to the L. I. C. on behalf of a client :

THE BANK OF INDIA LTD.
Mahatma Gandhi Road,
Bombay 1.

June 10, 1971.

Life Insurance Corporation of India,
Jeevan Prakash,
Sir P. Mehta Road,
Bombay 1.

Dear Sirs,

Re: Policy Nos. 17315623 & 17315624 of Mr. M. Prakru.

Please refer to your letter bearing reference PHS/13/II/VVD of 29th May 1971 addressed to the holder of the captioned Policies.

In your letter you have called upon the holder of the above policies to make a further payment of Re. 1/- being the amount of interest on the unpaid premiums of the captioned Policies.

As the holder had entrusted to our care the making of payment of premium of the captioned policies, we had on the 29th March, 1969 forwarded to you over Pay Order No. 5/164 for Rs. 2961=35. This amount represented payment of premium of Rs. 1241=10 on Policy No. 17315623 and Rs. 1720=25 on Policy No. 17315624. Our said Pay Order was cashed by your Centralised Cash Collecting Centre on 16th April, 1971. Due to late payment, the holder of the policies had to pay interest on the premium as per your Notice of Demand dated 12th April, 1971. The interest amount of Re. 1/- (Re. 0.50 on each policy) was remitted to your Centralised Cash Collection Centre on 21st April 1969, vide our Pay Order No. 5/202 which has been cashed by them on 7th May, 1971.

Since payment is made to you in full, the question of your calling upon the holder to make a further payment of Re. 1/- does not arise.

We shall, therefore, thank you to please look in the matter and favour us with your reply, endorsing a copy of it to Mr. F. J. Prakru.

Yours faithfully,

Accountant.

c. c. Mr. M. Prakru.

Comment: Note how a detailed explanation and background have been provided to clarify the position.

CHAPTER II

REPORT WRITING

Report-writing is the direct outcome of the giganticism and complexity of modern business organisation. Before the Industrial Revolution in Europe, when departments and branches were unheard of, reports were not required. The sole-trader knew all about his sales and purchases personally and if he was fortunate enough to have a large establishment he asked his assistants about the day's transactions in the evening. Today business is differently ordered and patterned. Rapid and cheap means of communications have brought into existence large joint stock companies or state-run corporations with branches all over the country and even overseas. The general manager or managing director does not rush around trying to find out what is happening: he sits behind a desk in an air-conditioned office and keeps track of what is happening in the company by reading the reports that are sent to him by the various departments in the head office and the branches.

Since a report is designed to give a complete picture of what is taking place at a distance or away from the person who receives it, it must be detailed and comprehensive — leaving out no relevant information. A good report leaves no question unanswered in the mind of the person to whom it is addressed. If the directors or the officials at the head office have to re-inquire about matters or ask for explanations then there is something wrong with the report that has been sent.

That a report must be detailed and comprehensive does not mean that it must be long-drawn-out. It must, like a good business letter, contain only relevant matter. Care should be taken to use concise and brief language, for a report that is written in confused and muddled language defeats its own purpose.

A report must contain a logical arrangement of ideas and information. The best logical arrangement is that of proceeding from the general to the particular. While writing a report on a particular industry a general description of the geography and location must be given before giving details about the factory building and machinery. As in all logical arguments, a good report must contain a definite conclusion. The report-writer cannot conclude by sitting on the fence and declaring "taking all the factors into consideration it is advisable and also not advisable to set up a new plant in Bhopal". This, of course, does not apply to those reports that are meant only to provide information and facts.

Reports are, generally speaking, of two types: (1) those that provide mere information and bald facts and do not contain any opinion of the writer, and (2) those that are designed to persuade the reader or which recommended some line of action. When a branch manager gives an account of the salary and dearness allowance paid to his employees he is merely writing an informational report; but when he writes to the head office listing the disadvantages of the existing bank site and recommending an alternate site, he is writing a report to persuade.

Reports may further be categorised as (i) those that go up, (ii) those that go down, and (iii) those that go out. Reports that go up are those that are written by inferiors to superiors (a branch manager writing to the managing director). Reports that go down are those that are written by superiors to inferiors (the managing director explaining the working of the company and the business transacted during a period to his staff members). Reports that go out are written to people outside the company (the board of directors giving an account of the working of the company to shareholders or creditors).

Reports, it hardly need be emphasised, can only be written properly by those who are in full possession of all the facts and relevant information. Incomplete knowledge will only result in an incomplete report. A branch

manager or a departmental head who knows all that is taking place in the branch office or department can write a better report than the office clerk who voluntarily decides to submit a report to those in authority. In view of this it becomes difficult to understand the thinking of examination paper-setters in India who are so fond of asking examination candidates to write reports on the "working of a cement industry" or on the "profitability of locating a sugar mill in X". Not only has the wretched student, with no contact with the business world, to struggle with commercial English and language but he has also to imagine a whole situation complete with facts and figures. On such occasions one is often tempted to ask the physician to heal himself and to find out what sort of report the paper-setter would have written himself.

SUMMARY:

A business report must be relevant and complete.

It must be concise and terse in language.

It must contain a logical order.

It must leave no question unanswered in the mind of the reader.

It can only be written by a person in full possession of all the facts.

* * *

A business report may be written either in the form of a letter or in the form of a "report". When a business report is written in the form of a letter the rules of commercial correspondence, explained in the previous chapters, will apply. But when a report is submitted as a "report" it must be in a particular form. The commonest form is the one given below:—

A
REPORT ON
(first page) STAFF EFFICIENCY IN THE GOODLUCK BANK LIMITED
FOR
THE CHAIRMAN OF THE BANK
SUBMITTED BY
L. CHOPRA
(Efficiency Expert)

If the report is likely to be a long one (reports in India usually are) then the second page will contain the contents:

TABLE OF CONTENTS

(second page)

1. Authority, scope and plan of the report.
2. Staff conditions and efficiency at head office.
3. Staff conditions and efficiency at branches.
4. Efficiency of the supervisory staff.
5. Efficiency of the clerical and inferior staff.
6. Summing up.
7. Recommendations.

On the subsequent pages will come the detailed report. It is advisable to use sub-titles and to number paragraphs in reports as this procedure makes for easier reading. The authority by which the report-writing has been undertaken must be clearly stated and the scope of the report must be properly explained. When a report is submitted in the form given above it must be sent with a covering letter.

Example of a report sent with a covering letter :

Paul T. D'Souza

"Havenhome",
Peddar Road,
Bombay 26.

18th May, 1971.

The General Manager,
Goldflake Bank Ltd.,
"Godly House",
M. Gandhi Road,
Bombay 1.

Dear Sir,

I am submitting with this letter a report on the investigation which you assigned to me in accordance with the resolution of the board of directors.

If you have any questions on the report, or if you want further information, I shall be glad to come to your office any time at your convenience.

Yours faithfully,

Paul d'Souza

**REPORT ON
THE CAUSES OF THE DECLINE IN THE BANK'S
BUSINESS DURING 1968-1969
SUBMITTED TO
THE GENERAL MANAGER
GOLDFLAKE BANK LTD.
BY
PAUL T. D'SOUZA.**

Following the instructions contained in the resolution of the Board of Directors' meeting of the 5th January, 1971, I have made a thorough investigation into the causes leading to a decline in the bank's business during the year 1969-70. For the purpose of this investigation I examined conditions in the head office and also visited the bank's branches in Kanpur, Madras, Calcutta and Bilaspur.

Competition : In the course of the last year five new banks have commenced business in urban areas, with a few branches in rural areas. In addition, the established banks have opened as many as 200 new branches all over the country. Most of the new banks have started a dynamic advertisement campaign with special emphasis on vernacular advertising. The Goldflake Bank's advertising campaign, in comparison, is feeble and most of it being in English is confined to urban areas.

Staff Conditions and Efficiency : Owing to the constant hostile relations between the management and the staff, and frequent union threats to strike, the clerical and counter staff have developed an anti-institutional psychosis. This is reflected in the deteriorating efficiency level and also in the treatment meted out to customers. Several accounts at the head office and at the branch offices have been closed following complaints of discourteous treatment.

Rise in Pay-scales and D. A. to Staff : Even assuming that deposits had remained constant (which they have not) the bank would have been unable to show a profit position owing to the sudden rise in pay-scales of clerical and inferior staff and the corresponding increase in dearness allowance payable. The situation has been made worse, as already pointed out, by the fall in the deposit level.

Recommendations :

1. That the bank cease to do its own advertising and entrust the work to a specialised agency. This will enable the bank to reach rural populations with its message.
2. That a Public Relations Department be set up to deal with staff relations and that the management make all efforts to remove the hostile attitude of the staff.
3. That the branches offer more services to customers as a device to attract depositors. For instance, special loans at concessional rates can be offered for the purchase of household furniture or purchase of scooters and motorcars. Branches could also volunteer to become centres for the collection of electricity bills.

Paul T. D'Souza

18th May, 1971.

Comment: The report given above is merely an illustration and considerably briefer than a real report would have been. It shows how the writer arranges his matter with a view to give a definite opinion and suggest a definite line of action.

Report in the form of a letter :

THE WATERCOOL BANK LTD.
56, Dhobi Street,
Kalbadevi,
Bombay.

9th July, 1971.

The Chairman,
The Watercool Bank Ltd.,
Head Office, Forret St.,
Bombay.

Dear Sir,

This is in response to your request over the telephone to submit a detailed account of the causes, etc., leading to the fire in our branch office building at Dhobi Street.

As you are well aware, our bank occupies the groundfloor of an old structure (Panting House) on Dhobi Street. The building is largely constructed of wood and has been in a dilapidated condition for a long time. The municipal authorities had been approached on several occasions to compel the landlord to repair the house and only last month they had written to the landlord directing him to get the building repaired. In the meantime I had written to you twice recommending that the bank office be shifted to more suitable accommodation. On both occasions I had been informed that my request would be considered in due course by the Board of Directors.

On Saturday, 8th July, 1971, our watchman was roused by cries of "Fire!" According to him this was at 10 p.m. He rushed out of the bank premises to find that the neighbouring office, belonging to a textile mill, was in flames. The fire-brigade was summoned but was unable to bring the fire under control till 11.30 p.m. owing to lack of force in the water mains. I reached the bank at 10.15 p.m. and with the co-operation of the watchman and several by-standers tried to control and extinguish the fire in our office with the aid of a few buckets of water and our fire-extinguishers. Unfortunately, we could not do much till the fire-brigade became effective. I, however, had already taken the precaution of removing all valuable papers and currency-notes to

the office of our customer, Mr. Joshi, in the next building. Leaving the watchman to look after these, I returned to help in the fire fighting.

The following items, mostly furniture, have been damaged or destroyed:

1. Cashier's and paying-in counters.
2. Two wooden drawer cabinets containing printed forms.
3. Three desks and seven chairs.
4. Two typewriters.
5. Six picture frames.

Yours faithfully,

Agent.

CHAPTER III

MEMORANDUM

A memorandum (plural: memorandums or memoranda) may be defined as a piece of business communication to which a signature and salutation or complimentary close are not attached and which is written on a sheet of paper headed "memo". In other words it is a "short-cut" letter. No time and energy are wasted in "dear sirs" or "yours faithfully". The memorandum begins abruptly, may close even without a signature, and does not have to be worded formally. It is a rough-and-ready communication in which even grammar is sometimes sacrificed to the cause of brevity. A long sentence has no place in a memorandum. All sentences must be short and to-the-point.

A memorandum is usually used for inter-departmental or inter-office communication. If every letter written by the accounts department to the branch control department were to begin "dear sir" and end "yours faithfully" with all the other courtesies of letter writing thrown in a great deal of precious time would be wasted. The memorandum—which is more elaborate than a telegram and less elaborate than a letter—provides the ideal solution. It would, however, be in very bad taste if a memorandum was sent by one institution to another in place of a letter. An exception may be made in the case of institutions which are so closely related in business terms that they communicate with each other scores of times in the course of a day.

Most banks have their own "memos" printed as forms and sometimes each department or branch has its

own special "memo" paper. Given below are two specimen forms, which are of a standard nature:—

MEMORANDUM

Date _____

To, _____

From, _____

Subject _____

Approved by: _____

Signature

Comment: Though a memorandum may be an unsigned paper, in India an unsigned memorandum is very rare. The legal obsession among our people, mentioned in the opening chapter of this book, may have something to do with this. The words "approved by" are usually placed at the left hand corner in case the memorandum contains something that requires the approval of a senior executive.

M E M O

| | | |
|-----------------------------|-------------|----------------------|
| To: _____ _____ | | From: _____ _____ |
| Re: _____ _____ _____ | | |
| Signature: _____ | | |
| Approved by _____ | Date: _____ | |

If the memorandum is a long one it is advisable either to number the paragraphs or to give sub-titles in the margin.

Printed memorandum of a branch office :

MEMORANDUM
THE NATIONAL BANK OF INDIA LTD.
BANDRA BRANCH

Dated: 5th May, 1971.

To,
The Foreign Bills Department
Head Office

Re: CD No 809632/Aw 567

We regret we are unable to recover the amount of margin from the party's cash credit account with us as no balance is available in the account.

Agent.

Printed form for a departmental memorandum :

THE BANK OF BOMBAY LIMITED
DEVELOPMENT DEPARTMENT

MEMO

Date: _____

To, _____ Branch.

Name of the party: _____

Full Address: _____

Reported Worth: _____

Facilities now
sanctioned: _____

Existing limits,
if any, at H. O. _____

Remarks: _____

Manager

Copy to 1. _____
2. _____
3. _____

Memorandums that are circulars :

Comment: When the management of a bank wants all its employees to be informed of something it writes a memorandum, like the one given below, and either gets it circulated among the staff members or has it put up on a notice board.

MEMORANDUM

Date: 4th May, 1971.

To,

All employees.

The health department, Bombay Municipality, has informed us that on account of the wide prevalence of small-pox this season, all persons are advised to get themselves vaccinated. The bank has invited a vaccinating unit on Saturday, 7th May. Those who wish to get themselves vaccinated should go to the Recreation Room on Saturday between 10 a.m. and 11.30 a.m.

General Manager.

The Memorandum that is an order :

THE BANK OF BOMBAY LTD.

MEMO

28th March, 1971.

Branch Control Deptt.

Mr. P. K. Paranjpe will take over charge from Mr. D. H. Sukhdev who is at present handling the Madras group of offices.

Manager.

The Memorandum that is a report :

THE NATIONAL BANK OF INDIA LTD.
BANDRA BRANCH

MEMO

Date: 8th May, 1971.

To,

The Chairman,
The National Bank of India, Ltd.

Re: Yearly report on Employees at the Bandra Branch.

1. M. G. PAI (senior clerk) a conscientious and hardworking man, has a tendency to overwork resulting in frequent applications for sick leave. His sincerity is not to be doubted and he has been of great help in attracting depositors.
2. T. R. CHOPRA (clerk) An adverse report had been submitted about Mr. Chopra last year. This year his work is found satisfactory. He has begun to respond properly to his superiors and colleagues.
3. (MISS) D'COSTA (typist) joined the branch three months ago. Intelligent, but inclined to be frivolous. Had numerous visitors in the first few weeks, they were a distracting influence on the staff. All this stopped upon intervention by the under-signed. Work quite satisfactory.
4. T. T. TAMBLE (accountant) is a great help and a very sincere worker. He is richly deserving of promotion or a suitable raise in salary.
5. P. L. SHUKLA (assistant accountant) a steady and hard-working young man.

Branch Manager

CHAPTER IV

CIRCULARS

A circular is a printed or duplicated letter, advertisement, or announcement of which many copies are made and sent out. It is used when the same piece of information has to be given to several people and individual letter writing becomes tedious and time-consuming. For example, if a bank has decided to charge a higher rate of commission it would be uneconomical to write a separate letter to each customer. The simplest way would be to have several hundred copies of the letter printed and then despatched.

The chief disadvantage of a circular is that it is impersonal in nature. The person who receives it usually fails to find personal interest in what is written as he feels that the same letter has been sent to hundreds of other persons. To retain the personal touch many firms have their circulars printed in type-script and then fill in the name and address of the customer with a matching typewriter. But this gimmick has now become so common that it deceives no one. The best method of arousing the interest of a reader in a circular is to compose it in an *original manner*. A personal message should be sought to be conveyed so that he feels that the communication is directed straight at him. This, of course, is easier to write about than to do.

Circulars are usually sent out when banks establish new branches, offer new services, change their interest or commission rates or when they write to shareholders and other persons with a direct interest in the bank. Managements that employ a large staff also find it convenient and economical to issue circulars to their employees giving information and instruction.

**Circular to residents of a town announcing the opening
of a new branch**

THE GOODLUCK BANK LTD.
43, Meadows Street,
Fort, Bombay.

8th May, 1971.

Dear Mr. & Mrs. Wagh,

As residents of Poona you will be interested to know that The Goodluck Bank will be opening a branch on East Street in the middle of next month. Mr. Deshpande, whose family belongs to Poona, and who has earned valuable experience for twenty years at the head office, will take charge as Agent.

Though I say it about my own bank, I have no hesitation in informing you that the services we offer are the best and at the most concessional rates. To convince you about this I am enclosing our brochure which will give you full information about our various deposit accounts and the services we offer.

Very truly yours,

General Manager.

**Circular advertising the starting of an Executor &
Trusteeship Department :**

THE EXCELLENT BANK LTD.
567, Hornby Road,
Bombay 1.

9th June, 1971.

Mr. J. N. Mistry,
"Belle Mansion",
7, Clare Road,
Byculla, Bombay.

Dear Mr. Mistry,

At the cost of appearing a trifle rude and personal we would like to ask you: have you made your will? If you have not then have you ever wondered about the future of your dear

ones after your death? In India, if a man dies without a will his property is liquidated and distributed according to the laws of the land and his family will be involved in the complications of court procedure.

But does making your will solve all problems and protect your dear ones? Unfortunately, the answer is No. Who will guide and protect your near ones in the matter of investments and management of shares or real estate? Could they not become the prey of unscrupulous people and victims of well-meaning but inexperienced friends?

The Excellent Bank has opened a new department called the "Executor and Trusteeship Department" just to help people in problems like those mentioned above. All you have to do is make your will and appoint the Excellent Bank as your sole executor and trustee or as your co-executor and trustee. If the enclosed brochure does not answer all your questions you must drop in at the Department in the head office building on any working day and satisfy yourself.

Yours faithfully,

Manager.

Circular informing customers of a reduction in the bank rate :

THE GOVERNMENT BANK OF INDIA
ACCOUNTS DEPARTMENT
Post Box 54.

Bombay 7th May, 1971.

To,

Dear Sir,

Dear Madam,

Re: Overdrafts

The Government Bank of India's Advance Rate

We wish to inform you that the Government Bank of India's Advance Rate has been reduced from $7\frac{1}{2}$ to 7% per annum with effect from 10th March, 1971.

Accordingly, interest on your overdraft account, with effect from the 10th March, 1971, would stand reduced

| | | | |
|------|---|------------------------------|--|
| From | % | <u>above</u> <u>below</u> | Government Bank of India's Advance Rate, minimum %p.a., (effective rate %p.a.) |
| To | % | <u>above</u> <u>below</u> | Government Bank of India's Advance Rate, minimum %p.a., (effective rate %p.a.) |

Please return the enclosed duplicate copy of this letter duly signed by you in token of acknowledgement.

Yours faithfully,

p. Chief Accountant.

Encl: duplicate copy

Circular to employees issued by the management :

THE NATIONAL BANK LTD.
9, Meadows Street,
Fort, Bombay 1.

3rd January, 1971.

Dear Mr. _____

Dear Mrs. _____

Dear Miss _____

It is with considerable reluctance that the management has to bring to your notice the following unfortunate features which are affecting staff discipline and working efficiency in our bank.

1. It has been noted that attendance ledgers are not regularly signed and that some staff members make it a habit to sign in advance.

2. Staff members use office stationery as personal property and do not hesitate to take it home or gift it off to visitors.

3. The office telephone is kept busy with personal calls of an inessential nature. This results in important banking work being held up.

Your earnest co-operation is sought in this matter and you are requested to help the institution to maintain its standard as a first-class bank.

Yours faithfully,

Manager.

Circular from the head office to all branches :

THE GOLDFLAKE BANK LTD.
"Gold House",
9, Marine Street,
Bombay 2.

28th March, 1971.

The Agent,
The Goldflake Bank Ltd.,
—————Branch.

Dear Sir,

Re: Small Scale Industries Advances — applications.

We find, on investigation, that all the co-operation necessary is not being given by the staff of branch offices to persons applying for advances for small scale industries. In most banks the officers themselves fill in the forms after obtaining information from the parties who may not be in a position to fill in the forms themselves.

You should give strict instructions to your staff to adopt a more helpful and co-operative attitude towards customers. No customer should be allowed to leave the bank because he feels put out at the prospect of filling in and replying to several of the questions contained in the application forms.

Yours faithfully,

General Manager.

CHAPTER V

TESTIMONIALS AND CERTIFICATES

A common mistake is to write testimonials and certificates in the form of letters. Though in most respects a testimonial or certificate is very similar to a letter, it differs in the following respects:

- (a) It contains no salutation and no complimentary close.
- (b) It is very brief and concerned with one topic only.

While giving a testimonial to an employee care should be taken to see that the length of service and reason for leaving are clearly mentioned. Since a testimonial of service is not a testimonial given by the principal of a school or college, extra-activities and irrelevant matter must be kept out. In a testimonial of service one cannot write "Mr. Kamble impressed me with his keen interest in sport". If Mr. Kamble has represented the bank in some sporting competition and won some trophies this can be mentioned, in passing, but certainly not as the chief merit of the person. To recommend an accountant for his cricket trophies is no recommendation at all. A testimonial that contains lavish praise must ring insincere if the bank has been forced to dispense with the person's services. Testimonials should be objective and should mingle dignity with sympathy. Given below are three testimonials, in three different tones and with varying degrees of sympathy.

A cold testimonial :

Comment: A few years ago all testimonials began: "To whomsoever it may concern". This is considered unnecessary today and the writer should dispense with all such frills and come straight to the point.

THE AAONE BANK LTD.
Post Box 76,
Bombay.

8th December, 1971.

Miss Martin has been in the employ of the bank for the last six years. She was attached to the accounts department as a stenographer. She is leaving us as her father has been posted out of station. During her term of service her work was found to be quite satisfactory.

Manager.

A helpful testimonial :

THE AAONE BANK LTD.
Post Box 76,
Bombay 1.

4th June, 1971.

Mr. Misra has been in the employ of the bank since May 1960. The position last held by him was that of clerk in the Share Department.

Mr. Misra is a conscientious and trustworthy worker. He gave complete satisfaction to his superiors. He is leaving the bank as he wishes a higher salary than the bank feels able to pay him at present. We wish him success.

Manager.

A warm testimonial :

THE AAONE BANK LTD.
Post Box 76,
Bombay 1.

9th July, 1971.

It gives me great pleasure to write a testimonial for Mr. Sampat. For the last five years he has been manager of the Phalgar Branch of the Aaone Bank.

He is a person of keen intelligence and enormous energy. He is certain to do well in any position he occupies. We have been compelled to accept Mr. Sampat's resignation as the bank had to close its Phalgar branch and Mr. Sampat could not be given a position of equal status at that time.

Manager.

Certificate of Savings Account issued by a bank :

THE FINE BANK LTD.
9, Fleet Street,
Calcutta 3.

9th August, 1971.

This is to certify that Mr. Suchit Sen maintains a Savings Account with us. The account was opened on 13th April, 1957 and is operated by either Mr. Sen or Mrs. Suchit Sen.

Agent.

Certificate of lease of Safe Deposit Vault Locker :

THE NATIONAL BANK OF INDIA LTD.
9, Nicoll Street,
Bombay 1.

9th February, 1971.

Safe Deposit Vault

This is to certify that locker No. 1932 has been leased out since 9th August, 1955 in the names of Lachmandas S. Chawla and Ramdas P. Chawla.

Custodian.

CHAPTER VI

THE TELEGRAM

A telegram transmits messages quicker than a letter this is known by all. What the company employee, sending messages at the cost of the company, often forgets is that a telegram is costlier and that every word is priced. Not only should the telegram be sparingly used but it should also be used in such a manner that the least number of words are paid for. The chief advantage of the telegram over the telephone (which is a still more rapid means of communication) is that like any other written communication the telegram is a permanent record. It can be read and considered, and it can be filled for future reference and consultation.

Telegrams are usually sent when the matter is so urgent that it cannot brook the delay of letter-writing and mailing. Telegrams are sent to convey urgent orders, to announce sudden changes in rates and interest, to convey quick acceptance of offers, to announce shipping or other transport delays, to expedite collection work, to inquire about missing documents.

The person who drafts a telegram cannot afford the luxury of full grammatical sentences. Indeed, sentences are not to be considered at all. The person who drafts a telegram tries to convey the message through individual words rather than sentences. A telegram that reads "*arriving tomorrow*" needs no elaboration. Words like "*the*", "*and*", "*I*", "*that*" and "*a*" can almost always be omitted. It should also be borne in mind that nouns and verbs convey ideas and meaning more concisely than other parts of speech.

Not only must a telegram be brief it must also be clear. For instance, a telegram that reads: "*Parcel arriving 2 p.m.*"

train stop take delivery” leaves the reader in doubt as to whether the train will leave for its destination or arrive at its destination at 2 p.m.

Lengthy telegrams can be sent in paragraphs, like letters. Punctuation may be completely omitted for every sign of punctuation such as a comma, a stop, etc., will have to be written in full and will be charged as a full word. When a telegram is lengthy it becomes necessary to put full-stops in relevant places, but in brief telegrams they could be omitted.

Consider how the following letter can be reduced to a telegram:

“With regard to your letter of the 12th November we regret to state that we are unable to comply with your request in its present form, but we appreciate the benefits likely to accrue from the overdraft you require and should be prepared to consider this loan if it were backed by a more tangible security. We would point out that these precautions are a general practice, not intended to have any personal significance. Subject to these modifications, we are prepared to finance you, charging interest at seven per cent on daily balances”.

Telegram:—“REGRET UNABLE COMPLY OVERDRAFT STOP RECONSIDER WITH TANGIBLE SECURITY STOP IF AGREEABLE INTEREST SEVEN PER CENT DAILY BALANCES”

Whenever it is possible to combine two or three words into one, this should be done. For instance, instead of writing “*regarding your letter*” or “*regarding our letter*” it is economical to use the abbreviations “RYL” and “ROL”. If the telegram reads like a full letter the chances are that there is something wrong with it and that an effort has not been made to save the bank’s money. Consider the following telegram sent by a bank:

“SHRIMAN PROPOSAL TOPALRAM TULANI COLD STORAGE DO NOT APPROVE PARTY DEALING WITH

"TWO BANKS PARTICULARLY WHEN CASH CREDIT FACILITY IS BY WAY OF HYPOTHECATION STOP INCLINED TO CONSIDER PROPOSAL FAVOURABLY EVEN FOR HIGHER CASH CREDIT LIMIT IF DEALINGS ARE CONFINED TO OUR BANK ONLY AND PROVIDED THE PROPOSAL IS OTHERWISE GOOD ON MERITS" (52 words)

This telegram could have been profitably, and without loss of meaning, been redrafted as below:—

"NO APPROVAL FOR SHRIMAN TULANI COLD STORAGE AS DEALING WITH MORE BANKS STOP INDUCE DEAL ONLY WITH US WILL SANCTION HIGHER CASH CREDIT ON MERIT" (25 words)

Here are a few specimen telegram-messages that the head office of a bank might find it necessary to send to its branches:

1. REFER AUDITOR DESAI REPORT OF TWENTIETH STOP REPORT WHETHER PENDING BILLS SINCE RECORDED STOP EXPLAIN DELAY ENTERING BILLS
2. AGRA TELEGRAM TWENTYSEVENTH OLDEN TIN PRINTERS FABRICATIONS SANCTIONED INCREASED DOCUMENTARY DEMAND BILLS LIMIT RUPEES ONELACFIFTYTHOUSAND STOP OBTAIN SSI GURANTEE
3. HASSAM HUSSA SANCTIONED INCREASED OVERDRAFT AGAINST LIFE POLICY AND GOVERNMENT BONDS UPTO SEVENTYFIVETHOUSAND AS RECOMMENDED
4. RAMNARAIN PRUIA COMPANY ALLOY CLEANBILLS ONELAC FURTHER SIX MONTHS
5. RLY TWENTYEIGHT WHAT IS MOTILAL PANDYA OVERALL GUARANTEE WITH BANK
6. SUKSEA MILLS PACKINGCREDIT INCREASED TO SEVENLACS TILL FIRST JUNE PROVIDED LIMIT

UTILISED TO FULL EXTENT AGAINST EXPORT-
ABLE STOCKS WITHIN STIPULATED PERIOD
FOR AVAILING CONCESSIONAL RATE OF
INTEREST STOP ROL FIRST MAY

7. RYL GOPIKRISHNA ASHRAM FIFTH APRIL DIS-
BURSE LOAN AMOUNT ONELAC SUBJECT TO
SEARCH FOR NONENCUMBRANCE FROM
EIGHTEENTH MAY
8. EXPEDITE SUBMISSION PROPOSAL HUBLI
MUNICIPAL CORPORATION
9. SMALL SCALE INDUSTRIES DOUBTFUL IF
RESERVE BANK WILL GIVE PERMISSION IF
OFFICE OPENED ONLY GET BUSINESS OF PAPER
MILLS
- 10.) RYL THIRD MAY ACCOUNT MAYPOLE STOP CAN-
NOT APPROVE AMENDED DRAFT STOP HOLD-
BACK EXECUTION DOCUMENT STOP LETTER
FOLLOWS
11. ROT TWENTIETH MARCH RESERVE BANK
INSPECTION REPORT URGENTLY REQUIRED
12. RYT TWENTYFIRST PORBUNDER PROPOSAL
FAMOUS CYCLE INCREASED STOCKINTRADE
ADVANCE RUPEES FORTYTHOUSAND SANCTION-
ED ON GUARANTEE MRS DESANI AND COLLA-
TERAL SECURITY TITLE DEEDS OF PROPERTY
SEVENTYSIXTHOUSAND SUBJECT STRICT OB-
SERVANCE OF USUAL STIPULATIONS
13. ROL FIRST JANUARY SEN DEE PARTY COM-
PLAINS NONRECEIPT THIER CURRENT ACCOUNT
STATEMENTS FROM SEPTEMBER 1970 STOP
COMPLY REQUEST IMMEDIATELY
14. FORWARD FINANCIAL REPORT CHOTALAL COM-
PANY AFTER VERIFICATION WEALTH TAX RE-
TURN STOP SEND BALANCE SHEET COPY

A precaution against getting the message sent wrongly
over the wire is to type out the message on the telegram
form in bold capital letters.

PART III

Without knowing the force of words, it is impossible to know men.

* * *

For one word a man is often deemed to be wise, and for one word he is often deemed foolish. We should be careful indeed what we say.

—Confucius.

CHAPTER I

REWRITING LETTERS

In the preceding chapters the reader has been given an idea of the various types of letters written by a bank. This, however, is not enough for the student who has to prepare himself for various examinations nor is it enough for the earnest bank clerk or officer who wants to improve his ability as a letter writer. Rewriting letters is the best form of exercise for such persons in the absence of a class room and a teacher. Given below are a series of letters that are wrong in composition, style and tone. All the grammatical mistakes have been shown in italics and the careful reader may be able to correct the grammar mentally with the help of the rules given in the next chapter. The wrong letters are redrafted for the benefit of the reader at the end of the chapter.

Letter No. 1.

Correct the composition of the following letter:

THE INDIA BANK LTD.
Offsur Branch,
32, Puri Street,
Offsur

2-3-'71

The General Manager,
The India Bank, Ltd.,
Head Office,
Fort, Bombay 1.

Dear Sir,

Subjt.: Your letter dated 31st January, 1971.

Offsur is *great rice and Groundnut oil producing town*. Oil is sent to *vegetable manufacturers* at *Delhi, Kanpur* and other

towns. By carts and Motor-cars. Hundees are drawn in consideration thereof. Since the parties do not have lots of Clean Demand Bill facilities with us they submit Hundees to cover such supplies. All such drawings are met by drawees and for reason that the drawees pay immediate attention to these bills and pay them in time. Following this way the drawers get immediate credit and draw money thereagainst. Beside Clean Bills limit clear itself and a party get a chance discount the bills sooner the previous bills retired.

Hoping to have cleared the position, _____

Yours faithfully,

Sub-Agent.

Letter No. 2.

Correct the composition of the following letter and redraft it changing the tone.

THE SURLY BANK OF INDIA LTD.

5, Currey Street,
Bombay 77.

23rd May.

Mr. P. R. Roberts Esq.,
6, Roway Lane,
Bombay 2.

Dear Mr. Roberts,

I was very surprised at receiving *yours* of recent date. I did not expect that a person with your good sense and fine business instinct would write such a letter.

You say we charged an unduly high commission on the clearance and other *works* we undertake for you last month. You have also asked us to charge you 3 p.c. instead of 5 p.c. as *we have done*. I regret this cannot be done. If I do this for you as a special case *all other clients, with long and happy relationship* with us, will demand similar concessions.

As a business man you should know that *every day cost of everything is going up daily*. So please understand our position

clearly and promptly *remit us* a cheque for the sum of *Rs. 350/-*. This amount being our commission. Or may we debit the *same* to your account and consider the matter a *closed chapter*?

Yours faithfully,

Manager.

Letter No. 3.

Correct the composition and redraft the following letter.

THE ROUND BANK LTD.
P & O Street,
Bombay 4.

4th May, 1971.

Private & Confidential

The Manager,
Souza Bank Ltd.,
Poona Street,
Poona 4.

Dear Sir,

Regarding your letter *regarding* Mr. Paru, we have to *favour* you with an unfavourable reply. We know that Mr. Paru is *party* too many shady deals and *questionable* transactions. Last *year only* he overdraw Rs. 2,800 from his account and we had *much difficulty* in recovering the amount *with interest*. Please do not *pass the informations* on to anyone else.

Yours faithfully,

Accountant.

Letter No. 4.

Correct the mistakes and redraft the following testimonial:

THE ROUND BANK LTD.
P & O Street,
Bombay 4.

7th May, 1971.

Private & Confidential

Dear Mr. _____,

Miss D'Lima is no longer in my employ. She joined the bank three years ago as a *steno*. By *charming* manners and good *public relations* she rose by leaps and bounds to her last-held position as personal assistant to the undersigned. During her employ here she represented *our bank* at several table-tennis and other tournaments, and though she did not win any prizes she brought great credit to our institution.

Yours very truly,

Manager.

Letter No. 5.

Correct the composition of the following letter and redraft it:

THE ROUND BANK LTD.

Head Office,
77, Fifty Street,
Bigtown.
7th April, 1971.

The Chief Agent,
The Round Bank of India,
7, Half Street,
Small Town.

Dear Sir,

Re: Auditor's report on *your branch* working.

The report quoted above gives a sorry picture of what is happening in *your branches*. You do not seem to be controlling the

sub-agents who have been let loose to create deteriorating conditions in the functioning of office

Uptill 1962 you earned profits now suddenly you are showing loss position. Please give an explanation to the above. Are you enjoying conditions of indiscipline and laxity? If so, please show what steps you propose to undertake to check the same.

Please peruse the auditor's report carefully and having examined the functioning of the various sub-agents in your area submit to us a report. This will enable us to take steps to help you restore pre-deterioration conditions of our branches.

As chief agent you are expected to pay visits to various branches at regular periods without prior intimation and assess the conditions prevailing therein and approve us about the same. We once again wish to repeat that we are losing good business on your score and expect you accept full responsibility for the same.

Yours truly,

General Manager.

Letter No. 6.

Correct the composition of the following letter and redraft it:

THE MODERN BANK LIMITED

5, Napier Road,
Townhall, Puree.
22-4-1971

The Ideal Furnishers,
Furniture Street,
Puree.

Dear Sir,

Re: Furniture made by you for us.

I am writing today to tell you that I am not very pleased with the desk-cum-counter which you made for us after I had sent a reply to your advertisement in the Ideal Home magazine. In truth what you show in the picture and what you have made for us is two different things. You show a beautiful piece with excellent finishing and you have made for the bank a shabby rough-and-ready piece. To top it all your men have not bothered to polish the counter and give it a good shine.

I hope *in earnest* that you will treat this complaint *with all the seriousness at your command* and look into the matter *immediately without delay*.

Please note that we are withholding payment of your bill of Rs. 1,500/- till such time as the work is completed to our entire satisfaction.

Incidentally, we would like to point out in connection with your Home Savings Account No. 85 *that you have with us* that you have not submitted your pass book to be written up. Transactions to your credit and debit have covered two full ledger sheets and naturally if you submit the pass book now it will take some time to *write up*. So please do not insist on your pass book being given back to you on the same day. It is in the interests of *the clients themselves* to have their pass books brought up to date.

Thanking you in anticipation,

Yours faithfully,

Agent.

Redraft of Letter No. 1.

THE INDIA BANK LTD.
Offsur Branch,
32, Puri Street,
Offsur

2nd March, 1971.

The General Manager,
The India Bank Ltd.,
Head office,
Fort, Bombay 1.

Dear Sir,

Subj.: Your letter dated 31st January, 1971.

Offsur is a great rice growing and groundnut-oil producing town. Oil is sent to vegetable growers at Delhi, Kanpur and other towns by carts and motor trucks. Hundeeds are drawn in consideration of this. Since the parties do not have a large number of Clean Demand Bill facilities with us they submit Hundeeds to cover such supplies. All such drawings are met by the drawees and for this reason the drawees pay immediate attention to these

bills and pay them in time. In this way, the drawers get immediate credit and draw money thereagainst. Besides the Clean Bills limit clears itself and the party gets a chance to discount a bill as soon as the previous bill is retired.

Hoping that this explanation has made our position clear,

I remain,
Yours faithfully,

Sub-Agent.

Redraft of Letter No. 2.

THE SURLY BANK OF INDIA LTD.
5, Currey Street,
Bombay 77.

23rd May, 1971.

Mr. P. R. Roberts,
6, Roway Lane,
Bombay 2.

Dear Mr. Roberts,

We have received your letter of the 6th April, 1971, complaining about the high rate of commission charged to you. The very fact that a person of your eminence in the business world has seen it fit to complain implies that we have been negligent in making our difficulties known to our customers.

You are well aware that the cost of everything has gone up steeply in the last year and the old rate of commission can no longer be considered adequate. However, we would gladly have agreed to your suggestion and charged you 3% had it not been for the fear that other valued customers would demand similar concessions.

We hope that in the light of the above explanation you will understand our position and continue to patronise our bank.

Yours faithfully,

Manager.

Redraft of Letter No. 3.

THE ROUND BANK LTD.
P & O Street,
Bombay 4.

4th May, 1971.

Private & Confidential

The Manager,
Souza Bank Ltd.,
Poona Street,
Poona 4.

Dear Sir,

This has reference to your letter regarding Mr. Paru. We are sending a brief report as required by you in the strictest confidence and on the express condition that no responsibility shall attach to this bank or any of its officers. You will please note not to disclose the name of this bank in the event of the opinion being passed on to any of your customers.

Yours faithfully,

Manager.

OPINION

The party in question is generally believed to be unsafe for large amounts. The Round Bank had some difficulty in recovering dues from the party concerned last year.

Redraft of Letter No. 4.

THE ROUND BANK LTD.
P & O Street,
Bombay 4.

7th May, 1971.

This is to certify that Miss D'Lima was in the employ of our bank for three years. The position last held by her was that of personal assistant to the undersigned. She has decided to leave her post for personal reasons.

Miss D'Lima joined the bank as a stenographer and within a very short time rose to the post last held by her. She is a gifted young lady with great personal charm.

Manager.

Redraft of Letter No. 5.

THE ROUND BANK OF INDIA LTD.

Head Office,
77, Fifty Street,
Bigtown.

7th April, 1971.

The Chief Agent,
The Round Bank of India Ltd.,
7, Half Street,
Small Town.

Dear Sir,

**Re : Auditor's report on the working of the branches
under you.**

We were disappointed to read the auditor's report on the working of the branches under you. The sorry state of affairs seems to be due to lack of adequate control over your sub-agents.

We would like to point out that since 1962 the profit position on your side has been reversed. Your directors are anxious to know the reason for this. They would also greatly appreciate receiving a report on the extent of deterioration and the steps you propose to take to remedy the situation.

The loss of good business on your side has caused great concern here and it is generally felt that the responsibility for this should rest on the chief agent concerned. In this connection we would like to remind you to visit the various offices under you frequently and unannounced so that a proper check may be maintained.

Yours truly,

General Manager.

Redraft of Letter No. 6.

THE MODERN BANK LIMITED

5, Napier Road,
Townhall, Puree.

22nd April, 1971.

The Manager,
The Ideal Furnishers,
Furniture Street,
Puree.

Dear Sir,

Re : Furniture made by you for us.

I am very disappointed with the quality of work involved in making the desk-cum-counter for our branch office. The piece that you have made for us is shabby and lacks finishing and polish. It is quite different from what you have displayed in your glamorous advertisement in the Ideal Home magazine. I am withholding payment of the sum of Rs. 1,500/- owing to you for this piece as I feel your workmen should come again and give the desk a better finishing along with a touch of polish.

Yours faithfully,

Manager.

Comment: The paragraph about the pass book should form the subject matter of a separate letter. Good business correspondence requires that a letter must be centred round one topic with a few related ideas. It is not right to write about a customer's pass book in the same letter in which you are complaining about the poor quality of service given to you.

CHAPTER II

FUNCTIONAL GRAMMAR

Since the bank official must be precise and clear in his language it is necessary that he should know the basic rules of grammar and know how to apply them. An academic and detailed knowledge is not called for and "functional grammar" will serve the purpose. This chapter will also be of help to those students who are preparing for banking and various other commercial diploma examinations.

THE ARTICLES

One of the commonest mistakes made in India while speaking or writing English is in the use of articles. A proper understanding of the rules governing the use of articles is necessary for the student.

There are two articles in English, the definite article (THE), and the indefinite article (A or AN).

1. THE is used before a noun to show that the speaker is thinking of one particular thing or one particular set of things. Suppose you take the word CAT. Now there are many cats in the country so you cannot use the definite article before it. But suppose you are talking about the cat that killed a rat in your house. Now you are talking about a particular cat and can use the definite article.

Example—There has been a cat in my house ever since I was born. *The* cat killed a rat yesterday.

2. The purpose of the indefinite article (A or AN) is to show that the speaker is thinking of a particular kind of thing, without troubling about which particular one it is.

You say, "There has been a cat in my house ever since I was born". You say "a cat" and not "the cat" because you have not separated the cat from all other cats by saying that it has been in your house. But after you have mentioned the fact that it has been in your house, in the next sentence you must refer to it as "*the* cat" (see example in 1).

Other examples—A robber stopped Mr. Joshi on the road, but when Mr. Joshi pointed a gun at him *the* robber ran away.

A lion attacked Mr. Joshi. Then men came with guns and *the* lion ran away.

3. THE can be used for one of a group, or a group of things if you think of the thing or group as particular.

Example—There were books in my bag. One of *the* books fell on the floor.

Here you can say THE BOOKS as you are thinking of books in your bag as different from other books.

Other examples—There were birds in the cage ; one of *the* birds died.

A hundred boys are in this class, one of *the* boys has a bad cold.

4. Articles are not used with proper nouns.

Examples—The Rajesh is my friend (incorrect).

Rajesh is my friend (correct).

Go to the Rajesh's house (incorrect).

Go to Rajesh's house (correct).

I live in the Bombay (incorrect).

I live in Bombay (correct).

Germany fought against the Britain (incorrect).

Germany fought against Britain (correct).

The Fiats are very good cars (incorrect).

Fiats are very good cars (correct).

There are some exceptions to this rule.

- a. THE is used before the names of *rivers, groups of mountains, groups of islands and ships*.

Examples—The Ganges, The Danube, The Tigris (rivers).

The Himalayas, The Alps, The Vindhyas (groups of mountains. For individual mountains you must not use THE. It is wrong to say The Mt. Everest).

The Philippines, The West Indies (groups of islands. For individual islands you must not use THE. It is wrong to say The Ceylon).

The Vikrant, the Java, The Queen Mary (names of ships).

- b. THE is used even before the name of a sea, country, province, or ocean *if* the name contains an *adjective* or an adjectival phrase. For example we cannot say THE India but we must say The United States because “united” is an adjective describing “states”.

Other examples—The United Arab Republic, The United Nations, The Persian Gulf, The Arabian Sea, The Bay of Bengal, The Artic Ocean.

- c. THE must be used before initials.

Examples—the U.P.S.C., the W.H.O., the I.L.O., The P. A.

5. Articles are not used before abstract nouns.

Examples—He is a wise man, (adjective+noun)

but He has wisdom. (abstract noun)

They are brave. (abstract noun)

She has beauty. (abstract noun)

We want sympathy. (abstract noun)

6. When the adjective is in the superlative degree only THE must be used.

Examples—He is *the* fattest man
(but, He is a fat man).
This is *the* tallest girl.
The saddest song I ever heard.
The smallest men are called pygmies.

7. When the meaning of an adjective is such that it singles out a thing or quality from others of the same kind then only THE must be used.

Examples—*The* only solution to the problem.
Eve was *the* first woman.
Manu *the* first law-giver.
The only poisonous snake.
He was *the* last to leave the room.
The third in the row.

(Note: All ordinal numbers like third, fourth, first, take THE before them as they single out the nouns they qualify.)

8. When the meaning of an adjectival phrase is such that it makes the thing unique or singles it out from others of the same kind THE must be used. This is the commonest use of THE.

Examples—Indira Gandhi is *the* Prime Minister of India.
I stopped *the* thief as he was running away.
The quality of goodness is lacking in him.
The art of composing essays is difficult.
The dog in my house eats only meat.

9. (The use of A and An). The indefinite article is used before words beginning with vowel sounds.

Examples—an elephant; an ox; an idiot; an owl; an ant;
an umbrella; an incident; an indication; an
hour; etc.

A is used before all other words (i.e. words beginning with consonant sounds).

Examples—a fool; a bucket; a boy; a zebra; a thug; a
hen; a European; etc.

10. The indefinite article is used when we speak of one thing, thinking of it simply as one of a number of things of the same kind. We do not try to separate it from others of the same class. The indefinite article is also used to mean any one of a kind of things.

Examples—I saw a tiger; he is a Hindu; Thomas is a Christian; she is only a girl; it is a shame; that was an outrage; can you see a taxi? do you have a book? he is a great player; a man has no wings; a dog can bite.

11. The indefinite article is used when you want to turn an abstract noun into a common noun.

Examples—Two years is a long absence.
Gambling is a vice.
The action is *an* injustice.
Humility is a virtue.

12. The indefinite article is used when you want to turn a proper noun into a common noun.

Examples—He is becoming a Daniel.
He is almost a Churchill.
To them he was a Napoleon.
Is he not *an* Aristotle?

13. No article is used before the names of substances, like metals, fluids, etc., except when you are speaking of particular examples of them.

Examples—This watch is made of silver.
I take tea.
I drink water.
He smokes tobacco.
This is made of iron.
That is made of steel.

But, The silver in this watch is valuable.
 The tea which I am sipping is hot.
 The water in my glass is not pure.

*The tobacco in his pipe has a dirty look.
The iron used in making this box is of good
quality.*

The Correct use of SHALL and WILL

The reason why most students in India use these words wrongly is that in Indian languages we do not have the exact equivalent of these words.

SHALL and WILL can be used both as principal and auxiliary verbs. When used as a principal verb WILL shows determination or intention in the first person, singular and plural:

*I will go out to see the rocket.
We will not listen to your talk.*

When used with the second or third person, singular and plural, as an auxiliary verb, WILL shows a simple future tense and does not show determination:

*You will find my book in his desk.
He will not sit for the examination.
They will reach Matheran tomorrow.
I am not sure if it will rain tomorrow.*

SHALL works in an opposite direction. When SHALL is used as an auxiliary verb with the first person, singular or plural, it shows a simple future tense and does not show determination or intention:

*I shall inform him when I meet him.
We shall go swimming, if it is a bright day.*

When used with the second or third person, singular and plural, as a principal verb SHALL shows determination, compulsion or implies a command or order:

*You shall not go out of this room.
He shall be punished for his crimes.
They shall work the whole day, without break.
It shall be done as the king wishes.*

In interrogative sentences, or sentences that ask a question, SHALL and WILL are to be used in a different way. You cannot say "Will I?" because when you ask a question about yourself you cannot show determination, you will have to use SHALL:

Shall I give him my book?

Shall we go to Delhi next month?

In an ordinary sentence "You shall" shows command, but in an interrogative sentence "Shall you?" only shows a simple future tense and does not contain a command:

Shall you come to college tomorrow?

Shall you manage on so little money?

"Will he?" "Will they?" show a mere future tense, but "Shall he?" "Shall they?" show that the person to whom the sentence is addressed has the power to do something or has the power to show determination:

Shall he be given food tomorrow?

Shall they be set free after such a crime?

The correct use of WHO and WHOM

These two words are often confused. WHO is used as the subject of a verb while WHOM is to be used as the object of the verb:

The girl *who* sells (verb) cards is the girl *whom* (object) you should see.

The boy *who* (subject) cries at night is the boy *whom* you should look after.

WHOM is also used as the subject of an infinitive:

He is a man *whom* I know to be (infinitive) dishonest.

She is a girl *whom* they would consider to be unsuitable.

It will be noted that WHO and WHOM are used for persons and living things only. For things that do not live

you must use **THAT** or **WHICH**. Study the following examples:

Give the prize to *whom* you choose.
Whom do they think me to be?
Who do they think I am?
He is a man *who*, I think, would like you, and
whom you would like.
Who did you say he was?
Who, do you think, will win the race?
Who shall I say came here?
Whom did you give the prize to?
He is a man *whom* I trust.
He is a man *whom* I think to be worthy.

The correct use of **THAT** and **WHICH**

THAT is used of persons, animals or things.

WHICH is used only of animals or things.

Examples—The boy *which* I saw yesterday. (incorrect)
The boy *that* I saw yesterday. (correct)

THAT is usually used to restrict, limit, or define something. **WHICH** expands the meaning or application of the term.

Examples—The house *that* my father built has been ruined.
The house, *which* you might have seen on the hill, was built by my father.

In the first sentence **THAT** helps to limit the meaning of the house to the one that my father built. In the second sentence **WHICH** tells us something more about the house that my father built.

The correct use of **THAT** and **WHO**

Both the relative pronouns **THAT** and **WHO** are used of persons:

The boy *that* I saw yesterday.
The boy *who* cannot work.

THAT only is used of things, you cannot use WHO for a thing that is not living:

The chair *who* I bought yesterday (incorrect).

The chair *that* I bought yesterday (correct).

THAT and WHO can both be used for persons and there are no definite rules requiring us to prefer one to the other

Punctuation

Consider these two sentences:

This boy said, "The teacher is a thief."

"This boy," said the teacher, "is a thief".

The words in both the sentences are the same, yet what a great difference in meaning there is! In the first sentence the teacher is made a thief and in the second sentence the boy is made a thief. This is what punctuation can do: it can completely change the meaning of your sentence. It is very important, therefore, to learn to use punctuation properly.

The Full Stop has two chief uses:

- (i) It is put at the end of every complete sentence.

Examples—I go to college.

I work in a bank.

This is my house.

I received your letter yesterday.

- (ii) It is used to mark abbreviations:

Esquire—Esq.

Mistress—Mrs.

Master of Arts—M. A.

Chartered Accountant—C. A.

November, December—Nov., Dec.

The Comma is not as simple as the full stop to use. It is usually used for three purposes:

- (i) To give a speaking pause. In speaking if you would pause between two words then, in writing, the comma must be placed between those two words.

Examples—I went to see him, but he was not at home.
Look here, you will do what I tell you to.
Listen, the words of the lord are repeated.
Tom, Dick, Harry came to my house.
See, see, the birds are flying.
No one believed me, and yet I was not lying.
We think of rain and storm, stress and strife,
confusion and trouble.
She is very ignorant, I am afraid.

(ii) Commas are used in pairs to separate a subordinate part of a sentence from the main part, or a subordinate word or clause from the rest of the sentence:

No, Sir, that is not what he said.

The main sentence is “no, that is not what he said”, “sir” must be separated from the rest of the sentence by using a pair of commas. The usual mistake is to use only one comma and forget to use the other.

Other examples—The name of my father, the lawyer, is Ram.

Will you, please, do what I tell you ?

He is gentle with, and kind to, his mother.

I think, if I may say so, that you are wrong.

You may come at, say, three o'clock.

When you go, if you go, please give him my book.

They do not know, I am afraid, what they want.

I know, because I read about it, that the Chinese do not live long.

I have, for a long time, been expecting him.

Yes, madam, what you say can be done.

My brother, the musician, does not earn much money.

(iii) A comma is used after a phrase, a clause or a word which is put at the beginning of a sentence but which is

not in its natural place. Such words or phrases are put at the beginning of sentences to give them importance.

Examples—At school, his teacher is kind to him.

An ignorant person, that is what I would call him.

Even for my country, I would not betray my friend.

Because they asked me, I told them what I thought.

The Semicolon (;) is used to make a separation between two parts of a sentence. It implies a pause longer than that given by a comma but shorter than the one given by a full-stop. Usually the semicolon is used when there are two short sentences about the same subject. It is also used before *and*, *or* and *but*.

Examples—Everyone in the room was talking loudly or playing games ; only Rhoda sat reading quietly.

Her mouth was open ; she breathed with difficulty ; her fists were clenched ; her eyes wild.

He glanced around ; he found himself surrounded ; he realised there was no escape.

He brought sandwiches and coffee from the table ; and ordered an extra loaf of bread.

The Colon (:) is used to separate two sentences when both the sentences are closely connected in subject matter and do not require a full-stop to divide them. Usually the second sentence repeats, expands or explains the first sentence.

Examples—There too many children in India today: there are too many mouths to be fed.

No one will oblige him: no one will loan him such a large sum of money without security.

I did not wish to go: I felt that if I went I would be harming my own interests.

The colon is also used to introduce a quotation, an example, or a short argument which is not part of the previous sentence.

Examples:—

I always say: "I like those that like me".

Iron has many uses: for railroads, construction work, lamp-posts.

The colon is also used between contrasting sentences in place of *but*.

Examples—Man proposes: God disposes.

She says she is strong: she is actually weak.

I never saw him: perhaps he went inside.

The Question Mark (?) is placed after every direct question.

Examples—Where are you going, young man ?

How old are you ?

Do they not care for their people ?

Does he have enough money ?

The following are not direct questions and do not take the question mark after them:

I asked the young man where he was going.

I asked him how old he was.

I inquired if he had enough money.

The Dash (—) and The Bracket () are to be used in pairs, like commas. If you open a bracket you must close it too.

A single long dash is used to show uncertainty about the rest of the sentence, to show that a part of the sentence is left out or to separate an explanation from what it explains.

Examples—I do not know what to call it. It might be — a crime.

I do not hesitate to say that he is — a liar.

I am waiting for — Oh, there he is now!

He was sentenced to six years — harsh punishment.

Brackets show a distinct separation between parts of a sentence.

Example—He came (I don't remember the date) early last month.

Inverted Commas or Quotation Marks (" ") are placed at the beginning and at the end of the actual words used by a speaker or quoted from another writer. If you open inverted commas you must make sure that they are closed later.

Examples—The president said, " The meeting is adjourned."
She said, " You may not write on this, please ".
I said, " What do you want ? "

The Hyphen (-) is used to join the parts of a compound word.

Examples—wicket-keeper ; brother-in-law ; she-goat.

The Apostrophe (') shows that some letter has been omitted.

Examples—don't ; can't ; won't ; 'em (them) ; 'arry (Harry).

The apostrophe is also used to show possession.

Examples—the boy's book ; Jack's friend ; father's desk.

When a word ends in " s " the apostrophe is put after the " s ".

Examples—the players' entrance ; Burgess' book ; Keats' poem.

A Capital Letter must be used to begin a proper noun, to begin a sentence after a full-stop or to begin a sentence after opening inverted commas.

Example—Thomas said, " Do you see him ? " She replied,
" Yes ".

List of Commonly Misspelled Words

redeemable ; innumerable ; desirable ; believable ; available ; moveable ; manageable ; indigestible ; cumbustable ; irreparable ; saleable ; excise ; criticise ; despise ; exercise ; enterprise ; intelligible ; indelible ; accessible ; municipal ; spectacle ; reliance ; nuisance ; dependence ; negligence ; receipt ; straight ; subtle ; achieve ; beginning ; changeable ; transferred ; piece ; parliament ; fulfil ; privilege ; scheme ; occurred ; install ; honorary ; quarrelled ; queue ; eminent ; correspondence ; committee ; survivor ; insert ; merchandise ; identical ; solemn ; doubtful ; acknowledgement ; allotted ; benefited ; beneficial ; surmise ; plenty ; influence ; various ; pronunciation ; enmity ; dearly ; technical ; installment ; irrelevant ; leisure ; miscellaneous ; disappear ; development ; deceive ; skilful ; succeed ; vaccinate ; articulation ; telegraph ; familiar ; message ; until ; knot.

Prepositions

A preposition is a word that is usually placed before a noun, pronoun or similar word in order to show its relation to other words. The nouns, pronouns or similar words are objects of the preposition and governed by it.

Examples—I walk *on* the road.

He went *to* the cupboard.

Rhoda spoke *after* him.

It is not incorrect to put the preposition at the end of the sentence and allow its object to come first in the sentence. This is usually done in spoken English.

Examples—The road I walked *on*.

The man Rhoda spoke *to*.

Prepositions are placed before words that show time.

Examples—He came *before* 10 o'clock.

Harin will come *on* Tuesday.

Prepositions are also placed before words that show place, indicate travel, movement, or manner.

Examples—We arrived *in* Delhi. (place)

I went *from* Bombay *to* Poona. (travel)

Binu got *into* the train. (movement)

He answered the questions *with* care. (manner)

The following prepositions are most commonly found in sentences:

at ; in ; into ; on ; onto ; upon ; by ; of ; from ; since ;
after ; near ; with ; between (two persons or things);
among (more than two persons or things).

Try using these prepositions in sentences of your own.

The following pairs of prepositions are often confused:

By and With: *By* is used to show the person who does something, it indicates the agent of an action. *With* shows us the tool or instrument used to perform the act.

Examples—The student was beaten *with* a rod *by* the teacher.

The patient was fed *with* soup *by* the nurse.

By must be used even when the doer is not indicated in the sentence, if the sentence is passive.

Examples—His finger was cut *by* a razor-blade. (passive)

He cut his finger *with* a razor-blade. (active)

At and In: *At* is used when referring to a certain point, an address, a small town or village or places like bus-stops and bridges. *In* is used when referring to a larger area, a country, a forest, a street or a field. *In* is also used in the sense of being in an enclosed place or a vehicle.

Examples—I met him *at* the station (bus-stop, cross-roads).

I met him *in* the field (Delhi, a train, a ship).

For and Since: *For* is used for a period of time. *Since* is used to indicate a point in time—the point at which the action started.

Examples—I have known him *for* six years (six months).
He has been here *since* three o'clock.

For and During : *For* is used for a period of time which has no special name given to it. *During* is used for a period of time with a special name ; i.e., during the summer, during 1968, during my holidays, during childhood.

On and Upon : *On* is usually used for things in a state of rest. *Upon* indicates some movement or action in the sentence.

Examples—The book was *on* the table.
The rat fell *upon* the chair.

Beside and Besides : *Beside* means 'by the side of' or next to. *Besides* means 'in addition to'.

Examples—She stood *beside* me all the time.
Besides his own income he had his father's money.

To and Till (Until): *To* and *Till* are both used to indicate time.

Examples—He studied from six *till* ten.
He studied from six *until* ten.

If the word "from" is omitted then only "till" can be used.

Example—He studied *till* ten.

Changing Verbs Into Nouns and Nouns Into Verbs

Over the years the English language has become so rich that it is possible to change practically all verbs into nouns and all nouns into verbs. By doing this composition is made interesting, and monotony is avoided. A good command over the language can be acquired by practising changing verbs into nouns and nouns into verbs. Study the following examples:

Rajesh *walked* up to the college. (verb)
Rajesh took a *walk* up to the college. (noun)

He *did not permit* me to sleep. (verb)
 He did not give me *permission* to sleep. (noun)
 I *acted* for his good. (verb)
 My *action* was for his good. (noun)
 He *behaves* very badly. (verb)
 His *behaviour* is very bad. (noun)

Note how in the following examples nouns and adjectives are changed into verbs, without changing the meaning of the sentence:

Have you put in an *advertisement* for a clerk?
 (noun)
 Have you *advertised* for a clerk? (verb)
 He killed him with a *knife*. (noun)
 He *knifed* him to death. (verb)
 Hard work has made him *dull*. (adjective)
 His mind *has been dulled* by hard work. (verb)
 Your habits must become *regular*. (adjective)
 You must *regularise* your habits. (verb)

Correct Word Order In A Sentence

Many letters in English are not understood because the words in the sentence have not been properly placed. The correct arrangement or ordering of words in a sentence is very important. The basic structure of the English sentence is—

| SUBJECT | PREDICATE | | |
|---------|-----------|------------|--------|
| | Verb | Extension | Object |
| I | go | to college | |
| He | studies | | music |

But not all sentences can be made of such a simple order. You have to use adjectives, adjective clauses, phrases, adverbs, etc., to explain exactly *what* is in your mind.

Generally adjectives, adverbs and similar clauses and phrases are placed as close to the words they qualify as possible.

Given below is a list of sentences which contain common mistakes in word-ordering. Study these examples properly.

INCORRECT SENTENCES

1. His body was found near the place where his car crashed by a passing policeman.
2. He killed himself after quarrelling with a knife with his wife.
3. The storm broke just as we entered the house without warning.
4. I shall tell you if it is a book recommended by accountants for general use.
5. We learn that the parcel reached you with much satisfaction.
6. I love her so much that I have thought of marrying her more than once.
7. This book has been published about Abraham Lincoln who was shot by a man called Boots as a mark of respect for the leader.
8. Wanted a nurse for a baby about twenty years old.
9. Wanted a chair by a lady with wooden legs.
10. The man should be reported to the police who says such things.

CORRECT SENTENCES

1. His body was found, by a passing policeman, near the place where his car crashed.
2. He killed himself with a knife after quarrelling with his wife.
3. The storm broke without warning just as we entered the house.

4. I shall tell you if it is a book recommended for general use by accountants.
5. We learn, with much satisfaction, that the parcel reached you.
6. I love her so much that I have thought more than once of marrying her.
7. This book has been published, as a mark of respect for the leader, about Abraham Lincoln who was shot by a man called Boots.
8. Wanted a nurse, about twenty years old, for a baby.
9. Wanted, by a lady, a chair with wooden legs.
10. The man who says such things should be reported to the police.

The word “*only*” is a confusing one for those who have not mastered the language. In the following sentences you will see how the meaning changes by putting the word “*only*” in different places.

Examples—

1. You have borrowed only one pen.
You have only borrowed one pen. (not purchased it)
Only you have borrowed one pen. (no one else but you)
2. Only the farmer fed the horses.
The farmer fed the horses only.
The farmer only fed the horses.
3. He drank milk only.
Only he drank milk.
He only drank milk.
4. Ramesh passed only in Economics.
Only Ramesh passed in Economics.
Ramesh only passed in Economics.
5. The postman only delivered one letter this morning.
Only the postman delivered one letter this morning.

The postman delivered only one letter this morning.
The postman delivered one letter only this morning.
The postman delivered a letter this morning only.

6. He not only found fault with the secretary but with
the rest of the office staff.
He found fault not only with the secretary but with
the rest of the office staff.
7. She came here only to see me.
Only she came here to see me.
She came only here to see me.
She came here to see me only.
She only came here to see me.

APPENDIX

BANK FORMS AND FORM LETTERS

Forms pertaining to deposit accounts :

Form showing reason for returning cheque unpaid :

THE FINE BANK OF INDIA LTD.

Mahatma Gandhi Road, Fort,

Bombay 1, —————19 .

Cheque No. ————— for Rs. —————

Returned unpaid for reason No.

- 1) Payee's endorsement required.
- 2) Payee's endorsement irregular.
- 3) Payee's vernacular endorsement requires bank's confirmation.
- 4) Post dated. (4 A) Out of date.
- 5) Words and figures differ.
- 6) Drawer's signature differs from the specimen supplied.
- 7) Not arranged for.
- 8) Effects not cleared. Please present again tomorrow.
- 9) Refer to drawer.
- 10) Funds insufficient.
- 11) Payment stopped by the drawer.
- 12) To-day's Clearing stamp required.
- 13) Exceeds arrangements.
- 14) Cheque irregularly drawn.
- 15) Ten days' notice required.
- 16) Cheque drawn against effects returned unpaid.
- 17) Bank's discharge ambiguous.

Statement of balance for verification of the customer :

THE FINE BANK OF INDIA LTD.

Mahatma Gandhi Road, Bombay 1.

To, _____

RE: C. D. A/c: _____

The Manager of the Fine Bank of India Limited presents his compliments and wishes to inform you that the balance of your Current Deposit Account at the close of business on 31st December

19 was $\frac{\text{CREDIT}}{\text{DEBIT}}$ Rupees _____ say,
Rupees _____

If you are satisfied as to the correctness of this balance please sign and return the confirmation below. Should your confirmation not be received within one month from this date, the Bank will conclude that you admit the balance stated herein as being correct.

The Manager,

THE FINE BANK OF INDIA LTD.

Mahatma Gandhi Road, Bombay.

Dear Sir,

I/We hereby confirm the correctness of the above statement.

Signature _____

Address: _____

Date _____

Form for opening of a Current Deposit Account :

Bombay—————19 .

To,

THE FINE BANK OF INDIA LTD., BOMBAY.

Dear Sir,

Being desirous of opening a CURRENT DEPOSIT ACCOUNT with you, I/We hand you herewith a remittance according to the Memo given below. I/We agree to comply with the rules of the bank governing Current Accounts.

| | | |
|--|---|--|
| Special Instruction for the operation of the account | { The account will be operated byof us..... and the balance will be payable to | { Initials of all account opening parties |
|--|---|--|

Yours faithfully,

| | | | |
|---------------------------------|---|-------|-------|
| Full Title of the Account | { | _____ | _____ |
| | } | _____ | _____ |

| | | | |
|------------------------------|---|-------|-------|
| Business or Profession | { | _____ | _____ |
| | } | _____ | _____ |

Nationality: _____

Address: _____

Telephone No. _____

(Full Signature
of the Applicants)

To be used in all cases: Name(s) of individual Depositors, Proprietor, Partners, Agents, etc., and their Residential Address.

Full Name in Block Letters:
(State whether Mr. Mrs. or Miss)

Specimen Signature(s)

Previous Bankers (if any):

Form scrutinised

Business standing:

Officer

Signature of the Introducer
(who should be a Current
Account-Depositor.)

Introducer called/advised.

Introducer's Signature Verified.

Address:

Title of the Account:

Officer

Memo of
Deposit:

Cheque series
issued

All details noted
on the ledger.

All Particulars
supervised by

(Signature of
Ledger Clerk)

(Signature of
Sectional Officer)

Form for opening the account of a Limited Company :

Bombay—————19 .

The Manager,

THE FINE BANK OF INDIA, LIMITED.
Bombay.

Re: _____ Ltd.

Address: _____

Sir,

We request you to open an account of the above-mentioned company and we hand you with this application:—

1. Certificate of Incorporation (for inspection and return).
2. Copy of the Memorandum and Articles of Association.
3. Certificate of the Registrar of Joint Stock Companies to the effect that the Company is entitled to commence business (for inspection and return).
4. Certified Copy of a Resolution of the Board of Directors regulating the conduct of the account together with specimens of the signatures of the authorised signatories.

We agree to comply with the bank's rules as at present being for the conduct of such accounts.

We agree to inform the bank whenever any change occur in the Articles of Association.

Please furnish us with a Pass book and a book of cheque forms for our use.

Yours faithfully,

Names of the Directors

Director/Managing Agents.

| | |
|-----------|-------------------|
| Mr. _____ | Signatures: _____ |
| " _____ | " _____ |
| " _____ | " _____ |
| " _____ | " _____ |
| " _____ | " _____ |
| " _____ | " _____ |

Introduced by

Memo of deposit

The Resolution referred to in item 4 should be somewhat in the following terms:—

We hereby certify that the following Resolution of the Board of Directors of the _____ Company, Limited, was passed at a meeting of the Board held on the _____ and has been duly recorded in the Minute Book of the Company:

“RESOLVED—That a Banking Account for the Company be opened with the Fine Bank of India, Ltd. and that the said bank be and is hereby authorised to honour Cheques, Bills of Exchange, and Promissory Notes drawn, accepted, endorsed or made on behalf of the Company by _____

_____ and to act on any instructions so given, relating to the account whether the same be overdrawn or not, or relating to the transaction of the Company.”

Chairman.

Secretary/Managing Agents.

Form informing customer of debit or credit of money to his account:

THE FINE BANK OF INDIA LTD.

Mahatma Gandhi Road,
Fort, Bombay 1.

No. _____

Date: _____

To, _____

We wish to inform you that your _____ account with us has been debited/credited with Rs. _____

Yours faithfully,

Accountant.

Forms relating to Branches and Head Office :

THE FINE BANK OF INDIA LTD.
Mahatma Gandhi Road,

Bombay 1, —————19 .

The Agent,

THE FINE BANK OF INDIA LTD.

Dear Sir,

The following returns from your office have not yet been received. Please expedite their despatch.

Yours faithfully,

Superintendent
Branch Control Deptt.

- (1) Statement Showing Commitments against Sugar,
Cotton, Grain etc. on
- (2) Statement of General Ledger Balances as on
- (3) Half Yearly Statement of Profit and Loss Analysis
General Charges as on
- (4) Half Yearly Statement of classified Advances &
BNs
- (5) Bimonthly Statement of Average Rates as on
- (6) Half Yearly Statement of Average Statistics
ended
- (7) Half Yearly Statement of Analysis of Banking
Profit ended
- (8) Half Yearly Statement of Working Result
- (9) Statement of Statistics of monthly average
Balances for the month of
- (10) Fortnightly Survey Form
- (11) Monthly Statement Form
- (12) Monthly Statement of Break-up of clean Ad-
vances

Form for the analysis of the Balance Sheet of a Borrowing Company :

ANALYSIS OF THE BALANCE SHEET OF _____

As at _____

Liabilities :—

| | |
|--------------------|-----|
| Subscribed Capital | Rs. |
| Paid-Up Capital | Rs. |
| Reserves ... | Rs. |
| Debentures ... | Rs. |
| Deposits ... | Rs. |
| Borrowings shown | Rs. |
| Secured ... | Rs. |
| Other Liabilities | Rs. |

Profit & Loss Account :—

| | |
|---------------------|-------|
| (To be reserved Rs. | |
| To be disbursed Rs. |) Rs. |

Assets :—

| | |
|--|-----|
| Cash & Bank Deposits | Rs. |
| Stock Exchange Securities (including Govt. Securities Rs. . .) | Rs. |
| Marketable Rs. | |
| Unmarketable Rs. | |
| Stocks & Stores | Rs. |
| Books Debts | Rs. |
| Nominal Assets | Rs. |
| P. & L. a/c. | Rs. |

Block Account :—

| | |
|-----------------|-----|
| Gross Rs. | |
| Less | |
| Depn. Rs. _____ | Rs. |

Total ... Rs. _____

Total Rs. _____

Total Liabilities (Including Debentures) ... Rs. _____

Total Liquid Assets Rs. _____

Form of letter to a branch office confirming the services of an employee :

THE FINE BANK OF INDIA LTD.

Mahatma Gandhi Road,

Fort, Bombay 1.

Date: _____

To,
The Agent,
The Fine Bank of India Ltd.,
_____Branch.

Dear Sir,

Re : Staff member Mr./Mrs./Miss _____
on probation at your office.

The above-mentioned staff member who has been on probation since _____ may, as recommended by you in your letter Ref. No. _____ be confirmed on the permanent staff from _____ on the same salary that he is drawing now and he should be allowed to contribute to the Provident Fund from that date provided:—

His work has been found satisfactory by you ;
you have verified his date of birth ;
he is medically fit.

Yours faithfully,

Superintendent
Branch Control Deptt.

THE FINE BANK OF INDIA LTD.

—————Branch

—————19—————

The Manager,
The Fine Bank of India, Ltd.,
Bombay.

Dear Sir,

We beg to submit the following proposal for your consideration :

1. Borrower's name, Business, Standing and General reputation.
2. Worth :
3. Nature of Facility required :
4. Limit required & purpose :
5. Limit recommended :
6. Particulars of Security offered & Margin to be maintained.
7. State whether Security will be under Bank's lock & key, Bank's Sign-board will be displayed, Bank's Godown-keeper posted.
8. How proposed to be repaid :
9. Rate of Interest :
10. Period :
11. Other limits enjoyed at this Branch :
12. Limits enjoyed at other Branches.
13. (a) Business & Worth of the Guarantor or Joint Signatory, if any.
(b) Other Limits enjoyed by the Guarantor or Joint Signatory at this Branch and/or at other Branches.
(c) Other Liabilities, if any.

14A. Particulars of customer's
C/D a/c

- (a) Date of opening
- (b) Present Balance
- (c) Average Balance
- (d) Turnover

Half-year ended

Dr. Cr.

Half-year ended

Dr. Cr.

- (e) Any other remunerative
business offered

14B. Particulars for previous
six months relating to
Clean Overdraft facility
if any enjoyed.

Max. Dr. Balance

Max. Cr. Balance

19 Min. Dr. Balance

Min. Cr. Balance

19 Number of times account
was brought into credit

Total number of days account
remained in credit.

Agent's Remarks in brief:—

Encls:—

1. Financial Report.
2. Balance Sheet.
3. Analysis of the Balance Sheet or
Standard Form.

Yours faithfully,

Agent

H. O. Orders:—

Forms relating to Safe Deposit Vault :

Adding the name of a new locker holder to existing locker :

The Custodian,

THE FINE BANK OF INDIA LTD.
Safe Deposit Vault,
Bombay.

Date: _____

Dear Sir,

Re: Locker No. _____

With reference to the above locker standing in my name,
our names,

I shall thank you to add the name of Mr./Mrs./Miss
we names

to the above locker and allow him
her to operate the same.

His Specimen signature is appended below duly attested by me
Her us.

Hereafter the locker will be operated by _____

Yours faithfully,

My
Our Pass Word is:

Specimen Signatures of

New Lessees:—

Signature/s.

Release of locker to the bank by a locker holder :

RELEASE

Contents of Locker No. _____ in the Vault of The Central Bank of India Ltd. being removed, the said Locker with its key is hereby surrendered. All liability of the said Bank under Lease of the said locker is hereby released by me/us.

Dated _____ 19

T~~l~~

THE FINE BANK OF INDIA LTD.

1. _____
2. _____
3. _____

Pass~~l~~ Word :—

Signature/s.

Final notice for non-payment of locker rent :

THE FINE BANK OF INDIA LTD.
Safe Deposit Vault
MAHATMA GANDHI ROAD, FORT,

Bombay, _____ 19

NOTICE

Registered A/D.

Dear Sir,
Madam,

Re: Locker No. _____

Overdue Rent Rs. _____ Since _____

We regret to note that you have not paid upto now the overdue rent of Rs. _____ in respect of your Locker since _____ in spite of our last urgent reminder to you.

If you will not arrange to pay the sum of Rs. _____ being the overdue rent on your Locker on receipt of this final registered notice, we will be reluctantly compelled to hand over your case to the bank's solicitors for breaking open, at our discretion, your Locker as mentioned in our last urgent reminder dated _____.

Please note that you will have to bear the breaking open charges, legal fees and 12% Compound Interest with effect from _____ incurred on your Locker in addition to overdue rents. In order to avoid breaking open charges, legal expenses and other charges we shall thank you to call at the Bank and give us vacant possession of your Locker.

Yours faithfully,

CUSTODIAN.

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